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FINANCIALTIMES

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VEWS SUMMARY

GENERAL

Cruise missile sites chosen

be stationed at Greenham Com-mon U.S. Airforce base, Berks, and at RAF Molesworth, Cambs., Defence Secretary Francis Pym told the Commens. A total of 160 missiles will be: stationad at the hases as part of NATO's nuclear modernisation programme. They would • STERLING lost 1.16 cents to be dispersed to pre-arranged launch sites for firing.

MPs for the two constituencies accepted the decision without protest, hit the Government started a campaign to persuade residents they have nothing to fear. Back and Parliament, Page 14

Nurses' ballot

Nurses in the Confederation of Health Service Employees, the higgest Health Service union. are to be ballotted on their 14 per cent pay offer. Back page

tran chief quits

Commander of Iran's Revolu-tionary Guards, Abu Sharif, resigned amid reports of serious

Lamb protests

France appeared to be at odds again with the European Com-munity over lamb, following protests at new French import limitations Back Page

Schmidt warning

West German Chapterfor Helmer Sciencid washed that his Government would not sup-port enother European Com-munity finance decision like the one which ended the UK's budget dispute. Page 3

Indian massacre

Troops were rounding up tribesmen who massacred at least 400. Bangladeshi immigrants in Tripura state, north-east India.

Julie cash ruling

Director of Public Prosecutions Thomas Hetherington decided not to hand back anestimated £100,000-proceeds of State Department said. Page 7 crime—to three members of the Operation Julie drugs ring.

Siège ends

home where seven people were held hostage and a policeman shot, ended when a man the BARING BROTHERS has

Transport report

sioned by its chairman Raiph Bennett. Back and Page 8; Editorial comment, Page 18

Scientist killed Egyptian miclear scientist employed by the Iraqi Atomic Energy Commission was found

beaten to death at his Paris

Migraine cause Stress, rather than adverse

reaction to some foods and drinks, is the main cause of migraine attacks, says a survey published by a drug company.

England changes England made six changes for

their European soccer cham- Ka pionship Group Two match 20 against Spain today.

Briefly ...

Soldier was killed in a guard-room shooting in Londonderry. Richard Adams, author of Watership Down, is the new president of the RSPCA. Man fell to his death from rigging on the training ship Winston Charchill off Kent.

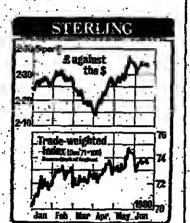
BUSINESS-

Gilts up 0.31; sterling off 1.15c

 GILTS: Fresh overseas demand saw longs and mediums gain up to 1. Shorts eased on reports of a new tap and credit shortage...The ...Government Securities index rose 0.31 to 69.89: Page 34

● EQUITY leaders were quiet after the recent sharp rises and the FT 30-share index gained 1.4 to 469.0. Page 34

\$2.3295 in dull trading, and its trade-weighted index fell to



73.5 (73.9). DOLLAR improved generally and its index rose to 83.4 (83.1). Page 31

• GOLD fell \$3.50 to \$591.50 in

at 32.51 before the close.

and development indicate will be "deep, widespread and pro-louged." - a -Government com-missioned report has forecast. Back Page

O STRIKE INSURANCE of a kind is to be offered by five

today. Back Page BRITAIN will have no difficulty over import licences for spares needed by the U.S. designed nuclear reactor the Central Electricity Generating Board plans to huld, the U.S.

• UNIT TRUST sales in May dropped to £27.8m, compared with £31.3m in April. Repur-Slege et e Nortingham charity higher at £28.45m (£27.08m). showing e continuing switch by investors. Page 8

arranged a \$50m (£21.5m) hnyer credit between a syndicate of lending banks and Petroleos Performance of management at Mexicanos to financa the export London Transport was severely of UK equipment for oil and criticised in a report commis gas industries. Page 6

> ● DEADLINE for completing details of the \$3.5bn (£1.5hn) rescue of Chrysler Corporation was deferred amid signs that the U.S. Government is still trying to persuade 12 banks to join in the deal. Page 6

● JAPAN'S crude steel ontput will slip to 27.75m tonnes next quarter, compared with 29.25m tonnes this quarter, because of e drop in exports, the Government forecast Page 6

COMPANIES

• GEI International, engineer ing concern, raised taxable profits from £6.16m to a record £6.82m last year, with a £1.05m contribution from Sanderson Kayser which it acquired. Page

• ROBERTSON FOODS' pre-tax profits last year rose by disappointing second half.

• FIRESTONE, the loss-making U.S. tyre company, bas omitted its quarterly dividend, thus joining Unitoyal, another lead paid shareholders since Sep-tember, 1978. Page 27

CHIEF PRICE CHANGES YESTERDAY

(Prices in pence unless otherwise indicated)

KISES:	MOCINOR TRAVEL DOG T 12
Treasury 15 pc '98 £1134+ 1	Lesney Products 17 + 2
Akroyd & Smithers 281 + 9	McKechnie Brothers 93 + 6
Alexanders Discount 248 + 15	Mowlem $(J.)$ 98 + 6
Applied Computer T. 385 + 15.	Pilkington 232 + 9
Barclays Bank 407 + 12	Ratners 62 + 4
Brotheshood (D) 71 + 5	Unicorn Inds 122 + 6
Dawson Intl 113 + 6	Vosper 180 + 20
Dawson Intl 113 + 6 Dixon (D.) 110 + 15	Yerrow 263 + 18
Empire Stores 148 + 6	Silkolene
Federated Land 76 + 6	FALLS:
Con Table 1 And 10 T C	Exch. 13 pc 1983 £100} - }
	Ferranti 550 - 8
Gerrard & National 258 + 10	Perranti
Cuebben Warehouses 69 + 6	Hawker Siddeley 200 - 4
Haden Carrier 135 + 7	MK Electric 180 - 5
Hazlewood Foods 86 + 7	Nat Carbonising 132 - 12
Traziewood Looks oo	Tesco 59 - 3
Henderson (P.C.) 'A' 175 + 32	1 TSU
Holf Lloyd 222 + 9	Berkeley Expln 220 - 14

Output and employment sharply down

Danger of deeper recession growing

BY PETER RIDDELL, ECONOMICS CORRESPONDENT

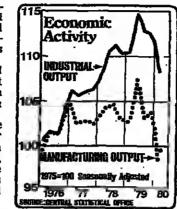
THE ECONOMY faces a deepening recession as industrial output and employment fall sharply in response to weakening demand and excessive levels of stocks.

No. 28,195

Official figures published yesterday provided the clearest evidence yet of the downturn in activity and of its impact on tha lahour market.
Industriel production in the

first four months of this year was about 3 per cent lower than the everage level in 1979, sharpest drop in output for five years. Part of the decline is officially ettributed to the steel dispute.

The underlying decline is estimated at between 1 and 2 per cent, with the drop in production continuing in April This has resulted in a marked change of conditions in the labour market, reflected not only in the familiar unemploy- The rate of decline accelerated ment figures hut also in the less recently. Rate of growth of serwell-known employment vice employment has slowed statistics. The changes have since the middle of last year. been similar in magnitude to



those in the early stages of the last major recession in 1975. The number of employees in production industries dropped 233,000, or 2.6 per cent, in the six months to tha end of March.

ment of Employment says in its monthly gazette published yesterday, it is very likely that final figures for overall employment will show a very substantial fall in thefi rst three months of this year, possibly more than the 78,000 drop in the final quarter of 1979.

The working population em-Consequently, the Depart- ployed plus unemployed, has



try, parts of which are perticularly exposed to the competitive pressures of a strong pound. Production in the first four months of this year was 3% per cent below last year's average level, while employment in March was 188,000, or 2.7 per cent, less than six months earlier.

This decline in menufacturing employment is reflected in a level of labour turnover lower than at any time since these statistics were first produced

Days lost, Page 10

London-Hong Kong airline fares set to plummet

for the moment.

and Hong Kong are likely to fall rapidly from next month as a result of the "open skies" policy for British and Hong airlines, announced yes

The cheapest proposed fare is British Caledonian's £100 standby one-way ticket from Angust 1. Hong Kong's Cathey Pacific, part of the Swire conglomerate, will offer the first alternative to B ritish Airways from July Lloyd's of London brokers to treplace the indemnity fund which the Confederation of British Airways ticket costs

Caledonian and Cathay have won licences from the Hong Kong Air Transport Licensing Authority. Laker Airways was refused a licence and is expected to appeal. It proposes a Skytrain fare of £133, one way.

Mr. John Nott, Secretary for Trade, has, in declaring an "open skies" policy to Hong Kong, thrown the hall into the colony's court as far as licensing is concerned. It must now decide whether to endorse the British Government's view that all four airlines should have

Today it will face a barrage of applications for licences and is likely to take a more cautious view of the position than bas been taken in Lendon. There would be no appeal for Sir Freddie Laker is the same hody rejected a re-application

FARES TO HONG KONG £ one way, proposed

BRITISH AIRWAYS		LAKER	
Advance purchase	195	Skytrain	133
Excursion	*344.5C		148
Club	558 -	CATHAY PACIFIC	
First	1,124	Midweek advance	purchase 151
BRITISH CALEDONIAN	1	Thrift (off peak)	177
Standby	700	Economy	558
Excursion†	180	First	1,212
Executive	553	First (sleeper)	1,124
First (sleeper)	1,775.		.,

*Theoretical single fare only return ticket sold † Special restrictions.

Civil Aviation Authority for the first time in the CAA's history and license the three airlines that applied to fly the Hong Kong route.

The CAA had earlier

approved only the application hy British Caledonian, which in March was given an unrestricted licence to operate between London and Hong Kong. The CAA did not helieve the route could support more than one more airline to compete with British Airways.

> Mr. Nott yesterday told the Commons: "I believe there is in the long term, but at the moment it is entirely up to the four airlines how frequently they fly services to Hong Kong." He challenged the judgment

of hte authority, under legal powers in the Civil Aviation Act, The changes are a direct 1971, which also provides the result of the British Government's decision to overrule the ground that he felt the CAA had

the economics of the proposed extra services in the short term. He helieved evidence by Sir Freddie Laker that the CAA had

pleced too much emphasis on

If all the sirlines involved used their licences to the full, the result would be e surfeit of seats on the route and an intensified price war. Even the proposed prices would become not lonal and profits suffer. The first signs of such a war would be special offers by hulk-buying tour operators, similar to those heing promoted to Miami and market for all these carriers other U.S. destinations.

Hong Kong has insufficient hotel rooms to deal with any sudden surge in custom. If all the proposed seats were filled, more than 4,000 Britons a week would arrive in Hong Kong, which is already popular with Australians Americans. Japanese and other Europeans. Cheap package tourism might

Pilkington stake raises £25m

BSN-Gervais Danone, the stock that "w French food company, has sold placed more." its 7.1 per cent sharebolding Shares were placed at 215p. in Pilkington Brothers, the UK On the Stock Exchange Pilking-glass manufacturer, in a deal ton shares rose 9p to 232p. which has raised over £25m.

in London yesterdey through develop other activities.

marchant hankers S. G. Warburg and Co., and Lazard cent stake in Pilkington as part
Brothers. Cazenove and Co. of Pilkington's agreement to and Rowe and Pitman, stockhrokers to Pilkington, placed the entire holding with more than 200 institutions in 45 minutes after the London stock-

One stockbroker said demand

the stock that "we could have easily Macaniver's

Mecaniver, S.A., disposed of heen sold hecause BSN-Gervais all its 11.9m ordinary shares Danone wanted the cash to

buy control of Mecaniver's Gerglass interests. Pilkington completed the agreement this month, paying £111m. This comprised £84m in

THE BELGIAN subsidiary of was so great for the Pilkington of Pilkington shares to purchase Macaniver's holdings in Flachglas AG and Dahlbusch Verwaltungs-A.G. Because Pilkington's annual

group reported its figures last Friday-and Mecaniver received its allocation of shares last week, it was only possible to accomplish the sale this week.

David White writes from Paris: The French company last night described the sale as logical in the context of planned new investments in the food sector. But it added that there was no reason to believe thet a cash, with the rest of the con-sideration satisfied by the issue Lex, Back Page

Fiat crisis: heads begin to roll 18 Labour's Left: Mr. Scargill starts the bandwagon rolling 19 West. Germany: testing Viewdata and Teletext 3 Management: Leyland vehicles gears up for commercial gamble 15 Gardens today: small flowers of distinction 16	Lombard: Raymond Hughes discusses visible justice
American News 6 Intl. Companies 27-28 Appointments 13 Leader Page 10 Arts	Saleroom 8 Unit Trusts 35 Share Information 35-37 Weether

For latest Share Index phone 01-246 8026

INTERIM STATEMENT ANNUAL STATEMENTS Deritand Stamp ...

Thatcher to curb Boyle

BY RICHARD EVANS, LOBBY EDITOR

figures in the public sector would be restricted by the Gov-ernment to well below the recommendations - believed to be of 20 per cent or more made hy Lord Boyle's Top Salaries Review Body.

This is likely to lead to e major row with some groups of the public servants involved, especially nationalised industry chairmen whose salary increases have been regularly trimmed by governments for most of the past eight years. Leading chairmen will consider

the situation today.

No decision has yet been taken by the Cabinet on the report of the review body, which covers senior civil servants, judges and service chiefts as well as nationalised industry chairmen, But Mrs. Thatcher's intentiona hecame epperent after eehe answered questions

in the Commons yesterday.

Determined Continued on Back Page The Prime Minister sees the scale of the increases, which are

expected to he announced by the end of the month, as vital to prospects for the next pay round, which is sheping up ominously for the Government. Mrs. Thatcher is determined to cut beck hard on public sector pay in the coming round to set an example throughout the economy and to underline the ebsence of the seme market disciplines that are present in

the private sector.

The problem for the top therefore develop rapidly to public servants is that their rises will be seen, in political terms, as forming part of this surrounding destinations such as the Philippines, Macau and Korea. Chine itself would he coming round. In fact the rises unable to take large numbers are only npdating pay increases paid a year ago. bringing those involved up to levels Much now depends on the of comparable jobs outside the view taken by the Hong Kong

public service,
Mrs. Thatcher made her comments in the Commons when she authorities. If they follow the London lead, the whole fare system from Britain to the Far Eest will heve heen disturbed. A passenger from Madrid to was urged by a right-wing Conservative MP to pey the market Bangkok, for example, might price to the heads of find it cheaper to fly vie London nationalised industries and to ignore "the egalitarians who and Hong Kong than direct ignore "the egalitarians who That is unlikely to go down well want everyone paid the same amount.' with other intercontinental air-She replied: "I do believe

that we cannot go on having the hig public sector pay awards we Basically, however, there will be considerable pressure at the heve had in the past, especially Hong Kong end of the route to at a time when production is flat." restrict the flights as far as Another Tory back-bencher possible to the level the local hotel industry can handle.

added later that public sector pey rises had to bear some rela-Several new botels are being tion to what the notion could built hut accommodation is not afford, and if civil servants did yet always easy to find in Hong Kong. not like it the Premier should recommend they join the private Laker Convinces Nott, Page 14 sector.

THE PRIME MINISTER gave a Mrs. Thatcher replied that clear indication yesterday that pay increases in both private salary increases for leading and public sectors depended on figures in the public sector increased output. "We have to consider future pay claims in the public sector very carefully if we are to keep wages down, she declared.

The Government is now in the middle of a review of tactics for the next pay round and a group of senior ministers met yesterday and held their second meeting on the subject at 10 Downing Street.

A conclusion is unlikely to he reached before late July or early Angust, when the next stage of cash limits set for the public sector is due to be announced.

Annoyed

A decision on top public servants' pey is expected however within the next few weeks and will be considered alongside the question of pay rises for MPs.

The nationalised industry chairmen will consider the posi-tion later today at a meeting of the executive committee of their Chairmen's Group. So far, they have made no public comment, but are known to be annoyed that their pay levels are being turned into a onlifical issue by Mrs. Thatcher before they have been even consulted or told what Lord Boyle's report recommends

They will strongly onnote the recommendations being cut unless the levels proposed are far in excess of 20 per cent. But, tactically, they know that they have little chance of hringing much influence to hear on a determined Government.

They had hoped that a Conservative administration would he more generous than the last Lahour Government which only released substantial rises towards the end of its term of

Meanwhile, the industries are finding it increasingly difficult to attract recruits from the privete sector and senior executives are sometimes belog paid more than the board members whose pay is also covered by the Boyle review.

The problem has been illustrated recently during the hunt for chairmen of corporetions such as steel, shiphuilding and the Post Office. PM renews pledge, Page 14

£ in New York

June 16 Previous

Spot 170, 305-3 20; 7 55-74 7 1 months 58-1,52 dis. 17 0 60 dt 7 7 months 14,45-3,47 cm,44,55-3,63 dis. 18,75-18,55 cm.

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MON DAY OF ACTION ON LOW-PAID PLANNED

nemployment still rising in France

CH UNEMPLOYMENT in May for the seventh i running to reach 1.47m seasonally adjusted terms, per cent more than a April and 6.2 per cent more than a

The figures, which fit io with expectations of a gradual deterioration through the year. came as the principal union organisations agreed on a joint day of action next Wednesday caling for a better deal for the lowest-paid and a reduction io working hours.

The protests, which will take the form of stoppages and demonstrations, are timed to precede a meeting with the

Patrooat, oo the sensitive issoe of working hours. Co-operation between

rival ucion bodies, the Communist-oriented CGT and the more Socialist CFDT, appears to bave been streogthened after their joint power workers' strike last Thursday, which was in protest against a Government plan to prevent wildcat Statistics Institute (Inseet, action at nuclear plants.

The Patronat's cancellation of a meeting the day before and the Government's threat of sauctions after the strike have served to rally union feeling. However, next week's strike is expected to create less disrup-

Sagging consumption would be offset by a growth in productive

reports published this week by

the Paironat, the Bank of France and the National

The employers' federation

said the slowdown had already

started but would not be sharp.

social security system.

employers' federation, the tion than the power steppage or rhytem of production was the previous joint union campaign against changes in the although actual output dropped The prospect of economic and a series of stoppages. The activity being held hack by outlook varied sharply from weak household consumption is weak household consumption is the summer hollday period was confirmed in three monthly expected to be about the same before. Employers were expected to continue trimming their work forces, and only

skilled labour aws in demand. The Statistics lostitute sald at household consumption showed further signs of slowing in May after a slight pickup the month before and that at constant prices it was below the average level last year.

The Bank of France said the

Dutch curb public spending

THE DUTCH Government has

imposed strict cash limits on departmental spending to keep within its budget forecasts. Despite the curbs and a Fl 35n (£659m) programme of cuts announced earlier this year. Government borrowing w reach record levels in 1980. Mr. Fons van der Stee, the Floance Minister, said in his spring budger memorandum that Government speeding must be reduced to Fl 108.9bn this year from the F1 111.6be forecast in last September's budget estimates. A sharp fall in expired tax reveoues means that total Government receipts will be only FI 96.7bn compared with the FI 100.5bn at first

The Government financing requirement has risen to F) 17be from FI 15.3bn forecast

Fl 1760 from Fl 15.3bn forecast io September and includes Fl 3.3bn of repayments of Government loaos.

The Finance Ministry now estimates that the budget deficit of both central Government and the proviocial and other local authorities will amount to 5.75 per cent of national jocome. This is just within the absolute limit of within the absolute limit of 6 per cent which the Govern-ment has set itself, although that is still considered to be too high for anything but the short

Higher spending oo education, the environment and aerototal Government bill by Fl 1bn over the past few mooths.

The Government has already raised al but Fl 3.4bn of its Fl 17bn requirement. Much of will not become available until early 1981, however. It has borrowed Fl 4.4bn from the civil servants pension fued, raised Fl 4.3bn on the public capital market, Fl 3.2bn on the private capital market and issued Fl Libn on Treasury bills. It has also borrowed

Kadar plans early reshuffle for Hungary's leaders

BY PAUL LENDVAL IN YIENNA

HUNGARYS party leadership Academy of Sciences. But at bas decided to carry out a a receot assembly of the major reshuffle of the Govern-academy, a majority of the meet, involving the replace members, angered by the ment of at least two deputy political manoeuvring, voted planning chief.

Full details of the reshuffle will become known when the new Parliament, elected on June 8, is convened. But it is taken for granted in Budapest that two key economic policymakers, the deputy Premiers, Mr. Istvan Huszar and Mr. Gyula Szeker will lose their positions.

from the Politburo at the Com-munist Party congress in munist Party congress in March and it is understood that his replacement as chairman of the planning office will be announced in the reshuffle.

The shake-up is seen as a continuation of a series of

personnel changes which have taken place at the top of the party. In March a third of the Polithuro and a fifth of the central committee were not reelected. However, the neatly planned

reshuffle bas run into some difficulty. Mr. Szeker should have become chairman of the state committee for techno-logical development with the

Mr. Gyorgy Lazar, the Prime Minister, admitted, in a self-critical speech, the weaknesses of Government policy but was re-elected as a Politonro member and is expected to retain his post. It is thought that one of his deputies, Mr. Jossef Marjai, will be given wider responsibilities and may enter the Polithuro. This professional diplomat and former Hungarian Ambassador to Moscow has

sentative in the Comecon execu-

tive committee for the past two

against the replacement of the present secretary general.

energetic action to cope with

crisis, Mr. Janes Kadar, the party leader, is seeking to

streamline the Government and

state apparatus. Addressing the party congress in March he said

that the people had had enough of complaints and gloomy fore-easts and wanted action.

Faced with a serious economic

Hungary's Minister of Defence General Lajos Czinege, is an present office-holder Mr. other candidate for promotion.

Leoard Pal, a nuclear physical He is expected to become cist, being shifted to the posi- Deputy Premier after being in tion of secretary-general of the charge of defence for 19 years.

Soviet airliners reported grounded

By Leslie Colitt in Berlin

SEVERAL DOZEN of the Soviet Union's largest civilian aircraft, the Hyushin 62, which is in service with Aeroflot and East European airlines, are believed to have been grounded recently beof serious engine...

The grounding was appar ently ordered after an investigation of the crash near Warsaw to March of an llyushin 62 belonging to the Polish airline LOT. Everyone on board was killed.

An investigation showed "material fatigue" in the oe material rangue in the engines and an inspection of all USSs equipped with the same engines subsequently re-vealed similar problems.

vesled similar problems.

The 1162, the Soviet equivalent of the VC10, is used in long houls in the Soviet Union and overseas.

Some 30 Aeroflot aircraft were grounded. Also affected were Czechoslovak Airlines.

were Czechoslovak Airlines, LOT, Romania's Tarom and East Germany's Interfing. The refitting with new eogines is said to have led to "wide-spread and costly problems" for the smaller East European airlines, as Aeroflet's H62s were the first to bave the work done at the Hyushin. the work done at the Hyushin

The emergency engine pro-gramme is also believed to have led to delays in the pro-duction of new 116s and of the first wide-body aircraft.

The II 86, which is intended to earry 350 passengers and has a range of 3,600 km, is scheduled to go into operation in time for the Olympic Games in Moscow next month. However, East Europeans believe this target may now be in danger because of the problems with the other

Poland's oviation industry is also involved in the construction of the II 86.

EEC controls in doubt on toxic hazards

By Giles Merritt in Strasbourg

OPEN disagreement between European MPs at Strasbourg is casting doubt over the Parliament's acceptance of proposals by the EEC Commission simed at avoiding industrial disasters such as Italy's Seveso or Flixborough in the UK.

A draft directive setting out rules to control major hazards in industries using dangerous materials has been proposed by the Commission and is due to be voted on by the European Parliament today. But there are fears that differences between left-wing MEPs, who are pressing for detailed "blanket" minima to be imposed on all community countries, and Conservatives who claim that such a directive would be unwieldy, oow threaten the outcome of the voting.

The bid to police potentially dangerous industrial processes is expected to reduce coosider-ably the chances of toxic hazards in EEC countries if

Carter's letter seen as a warning to left wing of Schmidt party

t Carter to Herr Schmidt, the West German Chancellor is being to the Bonn left wing in advance of Herr Schmidt's visit to the Soviet Union.

Officials here and in Washington have decied that the letter is "rough" in tone—as a West German magazioe has suggested or that it expresses mis-givings about Herr Schmidt's talks with President Leonid Brezhnev io Moscow on Juoe 30

The Bonn Government spokesthe "Dear Relmut" kied, set-tiog out the Western alliaoce position on the problem of intermediate range nuclear missiles, a topic on which there are said to be no differences hetween

THE LETEER sent recently by made clear officially why Mr. President Carter to Herr Carter felt he should underline the well-koown alliance position io a letter at all-and that only days before he is due to meet Herr Schmidt at the Western ecocomic summit conference in

> The explanation being given here is that, while the U.S. Administration has no doubts about Herr Schmidt's own resolve to set oo behalf of Western interests, it does fear that the Chancellor may come under growing pressure from the left-wing of his Social Democrat Party to alter his

> Heoce the sending of the letter and the leaking of its contents in a way which guaranteed considerable publicity, not least through the decials that it contained any critical remarks.

Important tip from an ex-Lord Mayor of London

ancie !

BICHARD WHITTING

the Social Democratic coogress last week in which the party left was largely dormant on the missiles problem and other alliance issues.

However, the Bonn Governmeot is more than ever sensitive to any suggestion that it may be weakening its stance towards Moscow in advance of the Schmidt-Brezhnev talks. Herr Schmidt recently sent a fiercely-worded telegramme to a newspaper which he felt was misinterpretion his stand on the missiles issue. Also, herr Hans Dietrich Genscher, the Foreign Minister last wek issued a statement after a talk with a visiting U.S. Senator underlin-ing Booo's dedication to the alliance.

AP reports: King Khaled of Saudi Arabia, on the second day of his four-day visit to West etween the U.S. and West On the face of it these Germany, yesterday called for apparent U.S. fears seem more closer relations between his F1 700m in short-term bank. However, it has not been than over ill-founded, following kingdom and West Germany.

Reform policy urged on Poland's Government BY CHRISTOPHER BOBINSKI IN WARSAW

THE POLISH authorities must embark on a policy of real

countenance such meetings, the group produced an outspoten report drawing attention to the

The group's latest report urges economic reforms to improve planning methods, rationalise and control capital investment, reduce the rate of inflation and raise labour prostable policy towards private agriculture, which uses 70 per ceet of farm land, and says the

coet of farm land, and says the housing programme should be speeded up.

The report notes, however, that economic changes will not work if a measure of trust is not built up between government and people. This can be achieved by telling the truth about the present economic. about the present economic and political situation, limiting censorsbip and giving people a greater say in the running of the country.

FINANCIAL TIMES, published except Sundays and holidays. subscription rates \$365.00 per a

defence and that one of the most serious sources of tension at present is that people believe that "relations between Poland

The document suggests that

Poland spends toe much co embark of a policy of real
political and economic reform
if the country is ever to make
substantial progress, according
to a report by the independent
Experience and the Future
(DIP) group.
The report is based on replies
to a questionnaire by about 140 and the Soviet Union are unequal,"

to a questionnaire by about 140 academics and other intellec-tuals last December. Despite tuals last December. Despite their commitment to change, bowever, few of the people who replied "saw any real chance" that the authorities would undertake the decessary steps, the document says.

Experience and the Future was formed in 1978 as a forum to discuss Poland's problems. When the authorities refused to countenance such meetings, the

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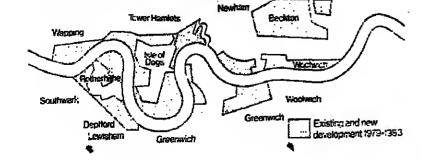
a worktorce will know. In short, London offers many benefits that are easily taken for granted while you've got

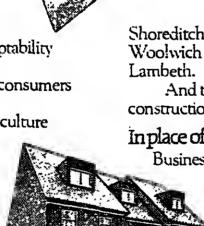
them. And priceless when you haven't.

London's Docklands-the largest redevelopmentscheme in all Europe

At 5,500 acres, Docklands is the biggest single proof that London is actively implementing new schemes here and now.

More than £300m. is due to be spent on new works in the next three years. Many new factories, homes and roads are completed and in use; and many





more are at an advanced stage of development. Ford, Unilever, Crosse & Blackwell, Tate & Lyle and Bass-Charrington are just a few

of the household names in the area. And the Daily Telegraph and News International, publishers of the News of the

World and The Sun, will soon be joining them. But while Docklands may be the blockbuster, it's by no means the only scheme in progress.

There are many others in various parts of the Greater London area and an impressive amount of work has already been completed. Including new light industrial units in Hackney, Shoreditch and Greenwich; new factory units at Southwark,

Woolwich and Silvertown; and new workshops in

And there are many more schemes currently under construction.

In place of hindrance

Businessmen used to official bodies creating obstacles rather than removing them will find the London Industrial Centre and the Docklands Development Organisation a pleasant

> surprise. As their names suggest, one represents the whole GLC area and the other specialises

> in Docklands. And both personify the encouragement of enterprise in the capital.

They help and advise on site location, workforce, sources of finance, planning applications, construction; and give all possible assistance to viable proposals.

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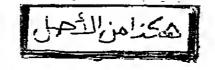
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Attacks in France spark Spanish lorry protest

THE BORDER hetween Spain account of President Valery ever, continued their blockcade, and France at La Junquera was Giscard d'Estaing's recent call demanding that the protection blocked yesterday and traffic on for a "panse" in further be extended to cover night the main eastern road link was enlargement of the European driving.

A particular cause for the hrought to a complete standstill as hundreds of angry Spanish An indignant Spanish Press lorry drivers mounted a protest has accused President Giscard against the violence of French farmers in the Midi who oppose the EEC in order to gain the the import of Spanish agricul-

The blockade was sparked off by the sabotaging of a convoy of Spanish lorries 10 miles north of Perpignan on Monday when three lorries were accession is unlikely to be met between both countries is dynamited and seven over.

The French ambassador in centred in the Bay of Biscay operation. turned. No one was hurt in the Madrid, who was summoned to attack which was a repetition of similar incidents in recent

of blocking Spanish entry into the EEC in order to gain the French agricultural vote. The Spanish Government has been more restrained in its response, but officials privately admit that the target date of January 1983 for the signing of the treaty of

the Foreign Ministry, promised last week complained that they that his Government would pro-tect further convoys with CRS coast guards. The trawler fleet They come at a time when riot police units backed by heli- in the area is at present fishing relations between Spain and copters. The protesters on the under protection of Spanish France are at a low ebb on border at La Junquera, bow- naval vessels.

anger was that six of the sahotaged lorrles were empty, while the remainder were travelling through France to other destin-ations in the EEC. Earlier this month, 12 Spanish lorries laden with agricultural produce and en route to Italy were stopped near Nimes and had their cargoes overturned.

An added source of friction where Spanish Basque trawlers

Swiss MPs challenge Ludwig

ZURICH - Social Democratic MPs have asked Swiss authorities to review the tax-free status of tha Zurich-hased Ludwig istitute for Cancer Research which was set up with funds donated by Mr. Daniel Ludwig, an American.

The motions filed in the federal and Znrich state parliaments came after a Swiss group which promotes assistance to Third World countries, pub-lished a statement questioning the Institute's charity role. The group which calls itself "Declaration of Bern," claimed

that the Institute was a cover for a "multi-billion francoperation." If asked "does the Ludwig Institute exclusivaly serve cancer research or does it serve tax-avoiding purposes abroad

that there was some evidence

The Institute bas rejected the "insinuations."



Herr Schmidt: limit to German contributions

Schmidt sounds warning on EEC contributions

German Government will not on net contributions for other support another European Com- countries as well as Britain, hut one which ended Britain's EEC hudget dispute.

In a statement to the sundestag yesterday, Herr Bundestag yesterday, Herr Schmidt stressed he had made "very clear" to the other EEC leaders in Venice last week that the Germans could afford to pay

biggest net contributor.

If the changes proposed did Brussels on May 30—which is not go far enough, then the seen in Bonn as having much

on net receipts as well.

Herr Schmidt said the Bonn government was not alone in Europe in adopting this attitude, and he had found "much unacceptable situa understanding" when he had any memher state. expressed his views on the In the Bonn view topic in Venice.

In its public pronounce-ments so far, the Bonn govern-Commission was to produce proposals by next June to remove imhalances in the European the imposition of ceilings on EEC receipts and expenditure —simply raised this proposals by next June to —simply raised this as a remove imhalances in the EEC course which will have to be hudget to which Germany, with DM 4.3hn this year and DM 5hn next year was much the course which will be as a large to the course which will have to be taken if other measures fail.

In doing so, it is having the course on petrol and spirits the course which will be a large to the financing of the Brussels budget compromise.

The upshot of this dispute may be higher taxes here next year on petrol and spirits. DM 5hn next year was much the becoming known as "Thatchar biggest net contributor.

EEC Foreign Council in pfennigs"—a reference to the

CHANCELLOR Helmut Schmidt question should be raised not wider implications than simply has warned that the West only of imposing an upper limit solving Britain's EEC budget

The text of the declaration notes that for the period after 1981, the EEC must carry out an examination of its policies "to prevent the recurrence of unacceptable situations" for

In the Bonn view that phrase firmly includes West Germany —where a battle is now underway hetween the Federal Government and the provincial

British Prime Minister and ber seen in Bonn as having much EEC hudget hill.

New electronic media gain a wider audience in West Germany

TWO LARGE West German corporations by the Laender, the be mixed with editorial content cities—Berlin and Dnesseldorf Federal States—to exercise a For its trial of Viewdata the -have entered a new electronic monopoly over the transmission era. After two years of successful technical tests, Viewdata and Teletext (or Bildschirmtext and Videotext to use the German a written form resembling a terminology) were launched this week into big market trials. The new media will be tested over three years by 3,000 Berliners and by 3,000 users in pages. the Duesseldorf area to deter-

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mine future demand.

The trials will be accompanied by scientific studies to evaluate the impact of the new technology, not only on the traditional media such as newspapers and broadcasting, but also on social, cultural and economic life. The Bundespost, the Federal post office, under whose auspices the trials are being conducted, is confident that general introduction of Viewdata and Teletext systems will be possible by 1983 if the trial results are positive and the necessary legislation is passed in

beginning of this year. From the first, the newspaper pubthe first, the newspaper pub. tunity. They have also accepted lishers have contested the right that advertising—contrary to of the broadcasting organisa newspaper use—has to be tions—which are run as public clearly marked as such and not

of the new media. The pub-lishers argue that Viewdata and Teletext supply information in newspaper page—albeit on a TV screen. Hence, in their opinion Viewdata "pages" ought to he an extension of newspaper

This controversy over whether the new technology is to be considered "radio" or "Press" has been put on ice for the time being to allow the market trials to proceed. Nonetheless, legislation to anthorise them was bogged down for a long time by questions of data protection and advertising in the new

Meanwhile, the Berlin Senate and the North Rhine-Westphalian State Parliament have both passed laws allowing every "reliable" information provider to participate in the experiment Legal snags have already principle. The major German delayed the field trials, which newspaper groups seem to have were scheduled to start at the given up resistance for the moment and seized the oppor

Bundespost has bought the British Prestel system, which bas been slightly modified for the specific needs of the German

German interest in Viewdata has been stunning. After its initial presentation at the International Radio and TV Exhibition in Berlin in 1977, it quickly won followers among potential users and information providers. When Viewdata was next demonstrated at last year's TV exhibition, 125 companies were already active in the field. According to the Bundespost, it bas now concluded contracts with as many as 640 companies. In January this year, the number of users of Viewdata, then still under technical trial, had reached 261. It has now gone up to 350 users in Dusseldorf and to 410 in Berlin, with steady increases expected as soon as all applicants have

colour TV sets.

VIEWDATA is a system for transmitting information — in text form or graphics-stored in a computerised data base across public telephone lines and displaying it on a television screen at the command of the user. The number of pages stored is virtually un-limited. Direct feedback allows access to information at random. The postal data hase is linked to a number of commercial computers which receive inquiries via the postal computer. The postal computer, in turn, receives

formation using television broadcast transmissions. It is a one-way system which does not allow the user to send commands back. Pages (with a maximum of 24 lines at roughly seven words each) are displayed in a fixed sequence. The viewer chooses the page be wants from 2 printed programme with the belp of a keypad. Then he has to wait till the page is effered by the computer. In the West German trials this takes 20 seconds at the most -at four pages per second and a total of about 75 pages.

TELETEXT is a method of

transmitting "pages" of in-

The direct access of a private

Viewdata user to companies and institutions intelligence aystems distinguishes the German Viewdata trials from the system already functioning in Britain. Unlike Prestel, all the information stored under the German system will be available for general public use. There are no plans to limit access to some classified services to groups of special subscribers as in the UK. Experts expect commercial

application of Viewdata to dominate its use in the market. Herr Jurgen Kanzow, bead of the systems planning section of the Federal Post Ministry, says that this "gateway" or "front end" approach to computerised data held by information providers on their own machines via Viewdata fascinates many firms, especially the mail order trade and the travel industry.

Viewdata could also become a cbeap means of communications

or instruct his bank to transfer money. optimistically, "this clientele belp of a keyboard, will be extended to include a The cost of this se wide range of commercially interested parties such as doc-tors, dentists, architects and post needs to break even.

way system, which does not "By 1985," Herr Kanzow predicts formation he wants with the (£7.2m)

naer is surprisingly reasonable Teletext is supplied free. All the user has to pay is a monthly rental fee of DM 5 (£1.25) for the telephone calls. ' Decoder."

The cost of this service to the

Yet the information providers gramme outline each, while five one in the local paper. It is leading German newspapers will the Bundespost, bowever, which will have to dip beavily into Its coffers. Total estimated costs of the field trials have now been placed at around DM 30m

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back the answers and displays them to the inquirers on the TV screen. phone lines linked to his TV set—for example for the latest tions, the courches, automot weather report or for the open-clubs and consumer groups. ing times of the local Internal

Revenue office. The informa-

and tonrist companies, federations, the cburches, automobile

But the inquirer can also begin a "dialogue" with the postal tion is provided by many data-base as well as with the sectors of industry and by many computer of another informa-Under the Viewdata scheme, institutions apart from the pubtion provider. For example, bathe viewer in his armchair can lishers. They include retail can check the prices of special call for information stored in trade, the banking and insurbargains, place an order with a a postal data-base through tele- ance industries, travel agencies mail order firm, book a flight

between bead offices and branches of smaller companies.

even farmers who will employ viewdata professionally." He expects that the business community alone will probably yield the 1m users that the Bundes-"Dialogue" or "Interactive communication" is not possible set to receive either medium, at under Teletext, the other medium on trial since June 1. The transmission of this one- future. It is installed free of

commands, differs from Viewdata in that it is broadcast. It is provided in collaboration between the broadcasting networks and the newspaper pub-lishers. To start with, the TV stations will offer roughly 75 "pages," with 20 lines of proprovide on eight pages each political and financial news and information on cultural topics. The viewer can choose the in-

the Viewdata "Modem" which links the TV set to the telephone, and the local charges for which has to be fitted to a TV present costs around DM 1,400 (£335) but this is expected to drop to DM 200 in the near charge by the Bundespost while allow the user to send back the trial lasts. An information provider may charge for his service if he specifies this beforeband.

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Zimbabwe coalition split over **elections**

JOSHUA NKOMO's Patriotic Front yesterday launched its strongest public attack since the establishment of the Government in Salisbury on its coalition partner, Mr. Robert Mugabe'a Zanu-PF party.

The Front, which is junior partner in the coalition with 20 seats in Parliament against Mr. Mugabe's 57, accused Zanu-PF of launching a campaign for local government elections while denying all other parties information which would allow them to contest the elections

The PF said that the Minister Local Government, Dr. Zvogho, bad announced in a radio broadcast in Sbona last week that the rural elections would begin later this month.
"Even then he did not see fit to give the actual date of the the Nkomo party's statement said.

The statement aaid the Government was using the radio for party propaganda and warned that any elections held in this way would not be free and fair.

The Government also came in for sharp criticism for its policies on information and broadcasting from the former Rhodesian Prime Minister, Mr.

Ian Smith.

He said that the growing exodus of whites from Zimbahwe was a direct consequence of programmes on radio and television which hurled insults at the white community. He said that the broadcasting media were obviously in the hands of

The media's policy appeared to be in conflict with Mr. Mugabe's stated aim of achieving reconciliation and harmony.

Mark Meredith, recently in Tokyo, looks at Japan's plans to boost its defence effort

Rising to the challenge of Soviet strength

have drafted medium term proposals to respond to the rapid io the Far East which is alter-lng the military balance in the

These strategic plans, worked out in joint military consultations with the U.S. would give Japan a specific wartime rola of sowing mines in tha Soviet Navy's only three access routes out of the Sea of Japan Into the out of the Sea of Japan into the Pacific. The air wing of the Japanese Navy, the Maritime Self-Defence Force, would join American aircraft planting mines in the Strait of Tsushima in the aouth of Japan and the Tsugaru and La Perouse straits north and south of the northern island of Hokkaido. The third access route, north of the Soviet island of Sakhalin, is shallow and iced up for most of the year.

There are several hurdles shead before the proposals can become part of defence policy, including the source of funds for the new capability.

However, the planners in tha Japan Defence Agency say the proposals meet an nrgent need to define strategy at a time of deteriorating East-West relations. The strength of the Soviet arsenal in the region is increasing fast and threatens to overtake the U.S. One Japanese

past two years.
It is difficult to play with figures when comparing the might of these two superpowers and estimates need qualifying, for example, with reports of poor efficiency among the Soviet submarine force out of Vladi-

But in filling the gap as tha Japanese see it, their proposals are designed to comply with the legal restraints on Japan's military capability.

More important, the military feel the draft takes policy beyond the traditional and often inflamed dehates about the military complexion of Japan and beyond controversies over the exact percentage figure of the gross national product acceptable for military spending (presently 0.9 per cent).

The complex and contradictory notions of nationalism,

pacifism and neutrality are reflected in the current parliamentary election campaign. The ruling Liberal Democratic Party with its traditional industrial backing has accepted the gradual improvement of the self-Defence Force and here are growing signs of acceptance among the military's traditional opponents,

Mr. Ichio Asukata, chairman of the Japan Socialist Party resigned after pointing out the indicated in a campaign speech inadequacies of the military.

anthority assesses U.S. strength that his party would be ready to at 30 per cent down over the accept the Japan-U.S. security treaty which forms the hasis of the country's defence. The Socialists bave in the past urged

right-wing there have even been

calls for a separate nuclear capability for Japan. Recent public opinion polls also show increasing public acceptance of the military and concern over U.S. and other fereign criticism that Japan is getting a "free-ride" in defence matters, sheltered by the U.S. umbrella. Simultaneously there are doubts over tha reliability of the umbrella as the United States faces crises in Iran and Afghanistan

In the past year the hasic weaknesses of Japan's defences have also come into the open and Press articles show a growing awareness of the vulner-ability of Japan with its heavy concentrations of industry and proximity to Soviet warheads. In January, an article about just bow easy it would be for the Soviet Union to invade Japan was published by General Hiroomi Kurisu, former chair-man of the Joint (defence) Staff Council, who had earlier

the National Defence College points to a basic shortcom socialists bave in the past urged that the treaty be abrogated in favour of a neutral Japan.

The Communist Party stresses the need for independence and neutrality while on the average within the Defence Agency with little or no co-ordination between the ground, air and maritime forces and a weakness of the civilian administration assigned to run the decrease. recently led military leaders to by pass their civilian counter-parts to take vital issues straight to the Cabinet.

Professor Iwashima also feels there is still no consensus in Japan between defence policy and public opinion. tainty, indifference and contra-dictions about defence bave also prevented qualitative improvements in the calibre of the military. Senior ranks usually bave experience from the last war but few graduates from the universities opt to

join the office corps.

Top civil servants need to b recruited from outside the Defence Agency such as Mr. Torn Hara who was brought in from the Ministry of Finance to co-ordinate planning and force has 23 as procurement. He is shortly to 100 in 1984.

take over as administrative Vice Minister of Defence. The military planners mean-while want the government to agree to reach a hodget target of 1 per cent of GNP in defence spending — nearly Y3,000hn (£6.26bn) - one year ahead nf-

under the existing four-year plan to 1984 will virtually freeze current spending on manpower at about Y1,076m a year, thus concentrating on weapons pro-

curement
The mine-seeding capability
is not reflected in the estimates but the maritime force willreceive the largest increase in expenditure over the four years reaching YL120bn in 1984.

To give the Maritime force its mine-laying capability would require, in the view of military analyists, the purchase of American C-130 aircraft as well as other undefined military systems. Japan has the technology to develop weapons systems to cope with a wider role although the planners say they would still depend on the U.S. for these systems. Up to 80 per cent of procurement expenditure over four years is expected to pay for weapons produced in Japan.

Purchases abroad will chiefly be American F-15 fighters for the air self-defence force. The forca has 23 and is due to have

It is not yet clear whether the mine-laying proposals could be accommodated within the existing four-year defeace budget, or would have to wait either for post-1984 budgeting or political and public pressure for additional defence untlays.







Defence Ministry officials and members of the general staff have said the proposed reduc-

tions would impair the fighting ability of the forces. "Gen. Haim Rheiev, a retired

chief of staff, and now servetary-general of the familian Labour Party, said yesterday. "Cuts of this magnifude can-

Delhi losing patience with Soviet promises

THE STRONGEST demand so far made by India for a withdrawal of Soviet troops from Afghanistan came yesterday when Mr. P. V. Narasimha Rao, the foreign minister, reported to Parliament on his recent visit to Russia, K. K.

Sharma reports from New

Features

Government: Reindustrialization. What businessmen needed

IBM is over the hill. Is it?40

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st How Do You Spell Trouble? When Algeria is,

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Detroit still trying to achieve 30 mpg, the Japanese could well beat

China: The Inscrutable West. In which our new friends the

Computers: IBM In Futureworld. They're starting to say that.

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underwriting is an art, not a science. Maybe that's why there's so

Energy: Gas Pains. Are we going to have too much natural gas,

involved, you spell it L-N-G. Panhandle Eastern's Dick O'S

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knew that when he signed up back in 1975. But there wer

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likely to cut dividends?

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ants try to predict it?

The Number Game: Living With The Fut

proved it could make computers. Now it has to learn how to

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Mr. Narasimha Rao indicated that India was sceptical of Soviet promises to withdraw. He said recent reports from Afghanistan suggested that the promise by the Russigns to leave soon did not seem to be as strong as it was.

ourselves whether the Soviet troops have not become, or are not likely to become, a pretext for those who wish to create further instability.

India has been more sympathetic to the Russian position than many non-

appears to be losing patience Mr. Narasimha Rao called for a political solution while this was still possible and said that the immediate task was to undertake consultations for the limited purpose of getting a dialogue started.

Pakistan welcomes U.S. offer on debts

By David Housego .

PAKISTAN HAS welcomed what it calls a change of heart by the United States in agreeing in principle to a rescheduling of Pakistani debts for the fiscal year 1980-81.

But Pakistan has still to decide whether to bow to terms attached to the offer. These require Pakistan to accept an economic package involving conditions equivalent to those accompanying a second tranche drawing from the International Monetary Fund.

: Acceptance of the U.S. terms would pave the way for debt. rescheduling by other donor nations and would benefit Pakistan by about \$250m (£106m) next year. But the Pakistani Government has been holding out against accepting tougher IMF conditions which would almost certainly involve a further reining in of the budget deficit through a reduc-

tion in subsidies or an increase

in electricity and other public utility charges.

An IMF mission has been in Pakistan recently and the Pakistani attitude is likely to be made clear in the forthcoming budget for the fiscal year beginning July 1. Unlike last year Pakistan has the resources to ward off IMF pressure temporarily because its foreign exchange reserves are

close to \$800m. The U.S. decision was innounced at last week's meeting of the aid consortium in Paris which involves major donor nations. The U.S. said that in Pakistan's case it was willing to make an exception to the general U.S. rule of opposing debt rescheduling except in cases of imminent default. The change of attitude reflects U.S. strategic interests in south-west Asia following the Soviet in-vasion of Afghanistan.

Nonetheless the U.S. pledged only \$65m of the \$1.1bn of new aid for Pakistan—a total 30 per cent higher than last and more than Pakistan was seeking. The smallness of the U.S. contribution arises from U.S. opposition to Pakistan's nuclear policy, and, without debt rescheduling, neans that the U.S. will be a net recipient of funds from Pakistan. Pakistan owes tha U.S. over \$90m in debt servicing.

The major source of new funds for Pakistan was Japan which more than doubled its pledge of aid to Yen 32bn (£62.87m).

Thais start Kampuchea repatriation

Kampuchean refugees left a big camp in eastern Thailand yesterday at the start of a voluntary repatriation nperation. The programme, run by the UN and the Thai army, has been dennunced by the Vietnamese-backed Government in Phnom Penh.

Many of the refugees told reporters they were worried bont returning to the border, eight miles away, but that they were anxious to trace missing

Given a choice of four border crossing points, all but about 70 of the refugees beaded for a dis tribution centre on the border near the Thai village of Nong

Refugee officials have expressed concern at the possibility that Khmer Rouge cadres. supporting the ousted Kampuchean regime, will try to force people to return to an area under their control.

Begin calls Cabinet talks on defence cuts row

is resolve a dispute over cuts to be my hope of halfing the to resolve a dispute over cuts in the defence bridge which has brought resignation threats from officers opposed to the cuts and from Mr. Viral Harvitz, the Finance Minister, with insists on them.

The Cabinet will also have to try to defuse a few which has broken out in the coalition over the role played by General Ariel Sharon, the agricultural Ariel Sharon, the agricultural Minister in trying to pash through the tuts.

The budget row led to the ISRAEL'S CARINET will hold cuts must be made if there is

The budget row led to the resignation last month of Mr. Ezer Weizman as Defence Minister. He testised to be responsible for national security if the defence makes was cut

responsing to the langer was cur Labour Party magnitude can as proposed by Histon, which is "Curs of this magnitude can."

7.5 per cent of the social defence not, be made without severely affecting our desence capability concent." Mr. Horwitz insists that the and I am totally oppose

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CATHAY PACIFIC The Swire Group

to resume crude oil stockpile

THE U.S. is to resume stockpiling crude oil in its controversial Strategie Petroleum Reserve later this year, despite the risk of displeasing Sandi Arahla.

In what will probably he the last legislative action in the energy sphere in this Administration, a House-Senate conference agreed on Monday uight to anthorise stockpiling at the rate of

100,000 harrels a day.

They deliberately delayed their decision until after last week's meeting of the Organisation of Petroleum Export-ing Countries in Algiers to avoid provoking the Sandis who had indicated their dislike of the project hecause of its likely impact on the world oil market and prices.

However, the resumption could still become an irritant in U.S.-Ssudi relations.

The reserve was anthorised by Congress after the oil crisis of the early 1970s, hnt ran into mechanical and political difficulties. Stockplling was eventually abandoned last year, partly to molify the Sandis.

Eventually, the could hold as much as 1bn bsrrels of oll, enough to supply the U.S. for several months in the event of a complete oil cut-off from the Middle Easl.
However, it currently holds

just short of 100m harrels, and there have been suggestions that the final target should he cut, or that oil companies should assume some of the responsibility for storing the oil.

Under the terms of the House-Senale accord, the reserve may be filled not only with imported oll, hut with stocks from the existing military reserve in California, and from oil obtained as royalty payments Federally-leased oil land.

Small rise in U.S. incomes

WASHINGTON -- Personal income in the U.S. rose 0.1 per cenl in May, the U.S. Government reported yesierday. The small increase off-set a 0.1 per ceni decline in

The inability of Americans | WASHINGTON - President The disagreement about public remarks. "This friendimprove their incomes Carter yesterday mel King Camp David is deep and State ship has been tested in crisis occurs despile an easing inflatlon rate. But, as consumer price inflation feil from an 18 per cent annual rate lo 11 per cent, unemployment had risen from 6.2 per cent to 7.8 per cent, the Government

It said the personal savings rate rose lo 4.5 per cenl in

widespread industrial use of

The 54 decision, written by Chief Justice Warren Burger,

said a living organism is covered by the Federal patent

law's definition of "manufac-

ture" of inventions or dis-

Industry and university re-

searchers predicted the ruling

wili spur an upsurge in genetic

engineering work. Those wish-

ing to exploit the techniques have complained that the

inability to protect biological

products and organisms discour-

sge research, because prodts could not be assured to cover

genetic engineering.

U.S. plans Chrysler rescue postponed as some banks hold out

BY IAN HARGREAVES IN NEW YORK

THE DEADLINE for completing details of the \$3.5bn (£1.5bn) rescue of the Chrysier motor company has been deferred yet again amid indica-tions that the U.S. Government is still struggling to whip between six and 12 reluctant banks into participating in the

Members of the Chrysler Loan Gnarantee Board, which is overseeing the formulation of the rescue plan, yesterdsy held a telephone conference to agree on a 24-hour adjournment of a session planned for today.

Those involved in the negotiations said it was still impos-sible to predict whether the revised deadline would be met. It is still possible that the refusal of a handful of banks to join the deal could throw Chrysler into bankruptcy," one

rentiy proving the most difficult afford to pay its suppliers.

negotiator is Banco de Vizcaya
of Spain. A spokesman for the bank in Madrid said it would would he complete within 72 not renew an already-expired 90day extension of its loan to Chrysler, hat he would not give the amount of the ioan. Other reluctant creditors In

Europe remain the Banque Bruxelles Lamhert of Beigium and the Deutsche Gennoschenschaft Bank and Dresdner Bank of West Germany, hut some progress is said to have been made in talks between Chrysler and these three banks in the last

8Y OUR GEORGETOWN CORRESPONDENT

nod ser, a teeding opposition impartial, activist and critic of the Dr. Rod

Working

administration, last Friday.

Dr. Rodney's Working Peoples Alliance (WPA) and

Hussein of Jordan, and stressed

Jordsn over the best route to

Mr. Carter acknowledged

which is King Hussein's refusai

to play the role the U.S. planned

for Jordan in the Camp David peace secords hetween Israel

pany from licensing a product

Mr. Thomas Kiley, a vice

smaller companies "who can

be protected by patents so that

they can enter fields such as

pharmaceuticals which have heen dominated by large firms."

Lilly, the largest U.S. pharma-

ceutical manufacturer, said

industry preferred to palent products instead of keeping

for others to produce.

peace in the Middle East.

Supreme Court has ruled that industry must try to keep the

forms of life created in a organisms as trade secrets. This

iahoralory may he patented just keeps others from selling the like any other product, and thus works, and perhaps building

removed a major harrier to upon it, and prevents a com-

has announced that it was larger to least one explosives lap.

The decision to seek foreign of the decision to seek foreign and evidence and evidenc

differences, though, chief of hoped to reopen the dialogue

Court gives spur to genetic engineering

Camp David.

"It is still possible that the refusal of a bandful of banks to join the deal could throw Chrysler into bankruptcy," one leading figure in the negotiations said yesterday.

The Government, under preshave already agreed to the terms of the rescue, is telling the rebels that there is no question of any of them being paid off hy Chrsyer, as is often the case in large and complex financial packages of this type. "It's still a case of all in or

none in," one barrassed official said yesterday. Mr. Lee Iacocca, chairman of leading figure in the negotiations said yesterdsy.

According to those familiar with the talks, the bank currently proving the most different and the said of the hours, and that the company would then be sble to proceed, through Salomon Brothers—its financial adviser, to issue the

> guaranteed notes which will give it access to the casb it desperately needs. It is clesr that for the U.S. Treasury the final thrust on its that it will find it very hard to run this year.
>
> plan to save Chrysler from conduct husiness in the U.S. in The K car is a medium-sized, plan to save Chrysler from hankruptcy is its major priority of the moment. Mr. William

THE GUYANA Government killed by an explosive device national observers to the trial has announced that it will which was probably held in his which began this month and

the U.S. to assist in the help in the probe underlines interest in the investigations into the investigations which killed Dr. Walter the investigations are seen to be A number of Caribbean

Peoples Alliance (WPA) and down of the secretariat of the region and has strong links other opposition parties and ruling People's National Congrupt claim he was assassing gress 11 months ago. The WPA sations in the Caribbean He was

nated, but the opinion of police mounted an international cam- also regarded as one of the

experts and the Government paign of solidarity with the most brilliant young intellec-

that there was "a great deal in day they were under no illusions wilhout damage," Mr. Carter common " between the U.S. and that the King would change his said. He praised King Hussein

They said Mr. Carter simply

emphasise the positive in their AP

Without patent protection, impact of the ruling would from the air and do not require

tations by the patent office and

president of the San Francisco- acid-and transferring it from wilh human genes, such as the

hased genetic research firm, one species of organism to temptation to create "perfect"

So far, this "gene-splitting"

Mr. Irving Johnson, vice insulin, growth hormone, anti-eating bacterium lovented by president for research at Eli viral interferon and others. one of its employees. However,

areas, such as agriculture and

the courts, he said.

Genentech, said the ruling was snother, usually bacteria, to people.

nature.

them as trade secrets. The full food plants that take nutrients AP

particularly important to create organisms nol found in

depend upon further interpre- fertiliser.

pathologist here is that he was accused which brought inter- luals in the area.

Carter, Hussein in Mideast talks

the investigations are seen to be A number of Caribbean impartial.

Dr. Rodney was one of three already said Dr. Rodney was

alliance leaders on an arson assussituated. His WPA is parl

charge related to the hurning of the "new left" in the

Department officials said yester- and it has withstood all tests

position after meeting with the for his "enlightened rule." and his "commitment to progress."

with King Hussein that has been said the people of Jordan and disrupted by the trauma of the U.S. "share a common

Later, both leaders chose to differences in terms of outlook"

Most of the research in concern that genetic manipula-question involves recombinant tion could be dangerous—

DNA technology. This involves leading to creation of uncontrol-

taking the basic malerial of lable disease organisms-or

heredity — deoxyribonucleic promote undesirable tinkering

has yielded bacteria that make said the Government must

medically useful hut hard-to- approve a 1972 patent request

find human products such as hy General Electric for an oil-

Scientists also are trying lo It noled that Congress is free create organisms for other to amend the law to exclude

pollution control, including law to cover them.

Guyana invites bomb probe

first \$500m tranche of Govern-

is reliably reported to have sure from the 350 banks which talked with other senior gov-have already agreed to the erument officials in various European capitals about the importance which the U.S. attaches to completing the Chrysler deal. For several weeks a Treasury team led by Mr. Robert Carswell, Deputy Treasury Secretary, has done little but pursue the rebel bankers in phone calls and personal meetings across the world.

Between them the Treasury, the company, and Salomon Brothers bave attempted to coral their friends in several countries to plead on Chrysler's behalf and to stress the political importance of the issue to the U.S. Behind

these approaches, which have been amplided by contacts between Chrysler and the rebel banks, lies the clear threat that if any foreign bank holds ont, it will not only face public vilification in the U.S. as the organisation which sent. conduct husiness in the U.S. in the future.

For the half dozen or so U.S. of the moment. Mr. William For the half dozen or so U.S. Miller, the Treasury Secretary, hanks—all of them very small—

has now been postponed. There

King Hussein, in his response,

vision . . . regardless of the

Enthusiasm for the research

The Supreme Court, upbold-

ing a ruling by the U.S. Court of Customs and Patent Appeals.

to amend the law to exclude

these organisms or write a new

has dampened most initial



Mr. William Miller . . talks in Europe

still resisting the deal, persussion has centred on trying to convince the bankers that they stand to lose more by Chrysler bankruptcy than by coming on board. The problem with all these

tactics is that some of these banks obviously believe that they can be released from Chrysler and get their money back, while the higger hanks shoulder the hurden of keeping the company in business.
One of the ironies has been

that two or three of the U.S. problem hanks are hased in Michigan, at the centre of the U.S. motor industry, where Chrysler has its headquarters.

In a separate development yesterday, Chrysler announced that it was moving forward by two weeks the launch date for its K-body cars in August in Chrysler into liquidation but order to increase its production

by European standards, vehicle on whose success Chrysler's future depends.

'China to limit use of foreign credit lines'

By Tony Walker in Peking

MR. PAUL VOLCKER, chairman of the board of governors of the U.S. Federal Reserve, has been told that China is likely to make only limited use of the foreign loans now available to it.

Mr. Voicker, who is visiting China, said Chinese bankers had made it clear that they were "concerned" as to how to ntilise the lines of credit China negotiated in a flurry

Mr. Volcker's statement confirms a trend, previously apparent, that China is turnment assistance such as the large low interest loan negotiated with Jopan last

China's recent moves into the International Monetary Fund, the World Bank and its affiliates also point to this trend and Mr. Volcker said it appeared China had negotiated more credit than it needed.

Mr. Voicker has had discussions with Chinese hankers and also representatives of the State Planning Commis-

He said Chinese hankers were looking at ways to increase savings and at the way these could be hoosted hy movements of interest rates. The Chinese wanted to use savings to expand investheen neglected, be said.

China recently increased interest rates on savings lo an upper limit of ahout 5 per cent on long-term deposits. The U.S. official said Chinese hankers were keen to enconrage investment in agriculture and light Industry. However, the antborities anneared concerned by deficiencies in transport and

energy development. According to an official travelling with Mr. Volcker. the Chinese have said they would more readily draw on foreign loans for projects which would generale foreign

AN INCREASING flow of and petrochemical industries. This agreement follows a \$50m export credit arranged by to the signing of finance agree Barings for Penex in 1978, ments worth \$100m (£42.7m) which has been fully utilised and more with at least the The syndicate of lending same value, in the pipeline. hanks in the present agreement.

UK banks meet increased

Mexican credit demand

which has been fully utilised.

The syndicate of lending hanks in the present agreement, backed by the Export Credits Guarantee Department comprises the Bank of Scotland, Canadian Imperial Bank of Commerce, Grindlays Bank, Lloyds Bank International, The Boys Bank of Scotland Merico's rapidly developing oil industry and industrial projects being carried out on the strength of the country's in-The Royal Bank of Scotland, Banco Nacional de México and Baring Brothers, for example, yesterday announced the sign-ing of a \$50m buyer credit Bancomer SA.

LBI is also providing a buyer credit of \$30m for the supply of knocked down Massey agreement over 18 months with Petroleos Mexicanos to finance. the supply of British plant, Ferguson fractors to Agromak and services part of the Mexican Grupo required by Pemex, the State Industrial Alfa of Monterrey off company, in the develop the fast developing industrial ment of the oil, gas, refining group. This will be a two-year.

ECGD-backed credit at a rate of 71 per cent per annum. The European Banking Cor poration is to provide a credit of \$11.6m, in conjunction with the Midland Bank, for the purchase of five HS-125 executive jets by Servicios Aeros Regio-montanos (SARSA), which is part of the Alfa and Visa group. This will be covered by the ECGD, but an additional \$5.2m

provided by the two banks for the same purpose will not the same purpose will not receive that cover.

It is understood that an additional \$50m buyer credit will be provided by one of the London clearing banks, following the signing of a letter of Intent, for the purchase of British equipment for a steelworks to be constructed by Hylsa also a constructed by Hylsa, also a subsidiary of Alfa.

Japan steel hurt by decline in exports

BY RICHARD C. HANSON IN TOKYO

DROP in exports will lead o the first quarterly decline in hutable to a deterioration in the Japanese crude steel production prospects for exports during the

BY LORNE BARLING

export orders from Mexico, won by British companies, has led

The orders are related to

creasing wealth.

tonnes for the year ending Domestic demand for steel March, 1981, compared with 113m lonnes last fiscal year. The operating rate next quarter construction industry, but ship-for the industry will dip slightly ments will decline by about helow the 70 per cent level from 70,000 tonnes to 16.17m next has 159.9m tonnes in total quarter as manufacturers dip

The decline is mainly attriin two and a half years, quarter. Export shipments will according to a Government be down 1.1m tonnes from this projection for the July quarter to 5.65m tonnes, because September quarter. September quarter.

The Ministry of International Southeast Asia and the Middle Trade and Industry (MITI) East. Exports could be even estimates that crude steel out lower if agreement with the put will slip to 27.75m tonnes Soviet Union on the financing. next quarter, compared with of large-scale pipe exports is about 29.25m tonnes for the not reached. Those shipments, current three months.

On an annual hasis, the projection translates into 111m chuded in the MITT guidepost.

continues to he relatively strong, particularly from the 70,000 tonnes to 16.17m next theoretical capacity as a result into inventories built up early of a pre-1973 oil crisis building this year in anticipation of price increases.

Tokyo seeks reversal of U.S. truck duty decision

TOKYO-Japan has asked the truck chassis to unfinished Japanese trucks to 25 per cent they said.

from the present 4 per cent. The Japanese said such a
Trade and Industry Ministry reclassification is barred under

lng a U.S. Customs decision (GATT). which reclassified lightweight Reuter ...

U.S. to reseind its decision to trucks and turned a 4 per cent raise import duty on small duty into the 25 per cent-levy,

provisions of the General Agree-A written request was made provisions of the General Agree-to the U.S. Government follow-

Paper plant exports rise

exports hy its member com- necessary in Government policy panies amounted to £53m last will also dictate that rate of year, an increase of £10m over lurnaround." tion companies.

association chairman, said tha is hurting us hadly."

THE BRITISH Psper Machinery industry "may be about to turn fakers' Association reports that the corner, but essential changes

the previous year. The exports . "Companies are suffering represented 60 per cent of the from severe competition, both in total machinery sales hy associa- their home and export markets. This is not only due to the high In announcing the results, Mr. exchange rate of the pound, but Charles Leveson-Gower, the to our high inflation rate, which

Swiss watch sales up 11%

dropped by some 5 per cent in 12 the most important increase 1979, rose by 11.5 per cent in was that of 38.1 per cent, to an annual comparison for the SwFr 223.07m (£57.9m), booked first four months of this year. for electronic and electrical models. Anchor watches and sales value was higher by as movements, still the major much as 21.1 per cent than for calegory in the Swiss industry. the corresponding month of showed a value growth of 2.2 1979 and volume exports were per cent to SwFr 551.94m for up by 21.8 per cent. -

THE SWISS WATCH industry
is experiencing a recovery of entire January-April period
its overall sales on world involved all branches of watch
markets. Exports, which had and movement production. By
dropped by some 5 per cent in
far the most important increase

Iran oil bid by Spain, Yugoslavia

SPAIN AND Yugoslavia are negotiating to purchase addi-tional quantities of Iranian oil. Unconfirmed reports yesterday said a Spanish company has already concluded an agreement but no details were avallable.

The revival of commercial interest in Iran's previously high-priced oil follows recent disclosures of substantial price cutting for some cusfomers as well as the state-ment by Mr. All Akhar Moinfar, the Oil Minister, that Iran intends to raise its output in the Persian Gulf commencing Saturday.

Mr. Moinfar yesterday met a high-ranking Yngoslav delegation which according to the official Pars News Agency, was to increase their crude oil purchases above the modest 10,000 b/g they are presently believed to be lifting.

Pars said Beigrade would be sending a team of oil experts within the next-fortnight to conclude an agree-ment. Yugoslays are also reported to have offered to complete unfinished petro-chemical projects in Iran and supply badly needed spare

Earlier this month a Yagoslav delegation visited the Iran-Japan petrochemical com-plex at Bandar Mabshahr on the Gulf, where construction according to Trantan site engineers, they said they could not take on the task of completing the giant project for technical reasons.

Spain has also shown an active interest in trading with Iran despite the sanctions being applied by its neighbours Portugal and the nine EEC countries. Three private Spanish companies are be-lieved to be lifting approxi-mately 3Z,000 b/d of crude oil at present.

Powell Duffryn in U.S. project

By Our World Trade Staff

POWELL DUFFRYN'S bulk iquid storage division is to develop, in association with Dow Chemical of the U.S., new liquid chemical storage facilities at its existing terminal at Bayonne, New

Jersey.
The capital cost of the project is estimated at \$45m (£19.2m) and will be financed largely by State development

The halance of funds for the project, after that generated by the issuing of state development funds, will be provided by both the com-pantes, although details of the sums involved have not

Economists accuse West of victimising newly industrialising states

. trong industrial nations of the West, and are being used as prohlems and industrial fallings. This claim is made in a report

prepared by a team of leading British and American economists to a recently published paper from the Royal Institute of International The report claims that the

connomic threat oosed by the fast-growing NICs is greatly exaggerated. It seems the Western powers of exploiting the diplomatic weakness of the NICs. of victimising them because of inability to strike at the heart of the West's economic prohiems—slow growth, increasingly aggressive competition from other fully industrialised nations, and the problems of adjustment into new, technologi-

The eight NICs, which secound for 75 per cent of manufactured

THE NEWLY industrialising Korea, Taiwan, Hong Kong and eountries (NICs) are being Singapore, followed by Brazil, builted by the diplomatically Mexico, Yugoslavia and India.

The NICs combined sbare of world manufactured trade is still no more than 10 per centmost estimates are around 8 per cent. If these exports are taken as a share of all manufactures consumed within the countries comprising the Organisation for Economic Co-operation and Development (OECD). They account for just one per cent.

"Changes in home demand. increased productivity and com-petition from other industrialised countries" are the main causes of joh losses in the West NIC competition has displaced. just 2 per cent of Britain's lahour force since 1970, the report claims.

Joh losses are more than compensated for hy job creation in industries which export back to the NICs-and the Western cally sophisticated industries, nations as a whole have never been in trade deficit to the

exports from the developing Between 1963 and 1977, the OECD countries is perhaps the world, include the four trade balance in favour of the most significant reason for the super-competitives' - South OECD countries grew by more

than 400 per cent, to \$18.16bn, newly industrialising countries, because of their being diplomately save it.

BRITAIN'S failure to come to trial competition from developing countries is likely to result in its sliding fast down the "league table to world wealth," according to Mr. Louis Turner in his paper, "Living with the Newly Industrialising

Countries." He warns of signs that Britain is "insufficiently adaptable to maintain (its) privileged position in the

example, Singapore 10.2 per cent. Hong Kong 4.8 per cent. South Korea 11.1 per cent and Taiwan 12.8 per cenl. This compsres with average OECD of effort" according to the growth now at less than 3.5 per report. cent. Declining growth among the

global hierarchy—and blames the decline on stagmant research and development, spending, and on Britain's relatively conservative entreprenental and labour relations culture." The British economy is

catching the worst of both worlds. The top end of the economy is stunted by competition from the best of the industrialised nations, while the bottom end is under challenge from the best of the

NICs," be claims. "There are too - many Britons engaged in low-tomedium grade industries which are becoming increasingly indefensible as the capsbilities of the NICs slowly improve," he said.

"Out of 10 advanced industrial countries recently surveyed, Britain was the only one where real spending oo Industry-financed and development has fallen."

calls for protectionism, more structures which will give job often than not a "tragic waste security in the 1990s." The report acknowledges that report. there are a few inslances of "It must be recognised that genuine need for protection there are a few inslances of the world is moving in a pro- io textiles, shoe making, and tectionist direction and that the electronics in particular. NICS will be singled out for protectionism can huy time for "mean spirited" assault on the relatively harsh measures an industry and cannot ulti-

bours expected of workers, and the exploitation of child lahour. It is difficult to defend "comparative advantage" when it in an electorally is relies on such socially exploita-political constituency. tive industrial practices.

Similarly, there are strong, but rarely substantiated, suspicions that "preferential finance" for industries constitute an unreasonable subsidy, and that tariff walls erected around the NICs infant industries are unjustifiably

high.
The authors are, nevertheless, deeply suspicious of interest group's demanding protection in the West. They claim the EEC position "is not worth defending because trade issues hring out so much special foften intellectually dishonest) nleading that no (industrialised economy) can yet be trusted to

equitably."

ecause of their being diplomately save it.

The report nevertheless, identiat the difficulties of their Protectionism involves the tifies areas of genuine grievance industries were of a short term the report notes.

"The NICs should be seen of industrial overcapacity—parnot as a threat, but an opportuoity," the report says. They tuoity," the report says. They industrial overcapacity—parnot as a threat, but an opportuoity, the report says. They industrial overcapacity—parnot defence of obsolete industrial among Western industrialists, nature and could be solved by structures," it says. "Far more on the already severe competition attention should be given to the already severe competition attention should be given to the already severe competition attention should be given to the already severe competition attention should be given to the already severe competition attention should be given to the already severe competition attention should be given to the already severe competition attention should be given to the already severe competition attention should be given to the already severe competition attention should be given to the already severe competition attention at the already severe competition attention at the already severe competition at the already severe compe While such arguments are used to justify selective policies, the motivation helind them is often that failure to act will lead to the closure of plants in an electorally important

"Modern democracies are Especially to number of peopla concentrated in specific regions, or in particular electoral districts where they can make or break political careers."

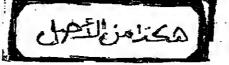
This argument can clearly be applied to the success of the textile lobby in the northwest of England, and lo lobbies in depressed textile regions in Europe.

The report also points out an Living with the Newly Indus-export threat from a NIC does trialising Countries, by Louis not necessarily result in Turner, Colin L Bandford Ir.

tively free of trade restrictions. Industries most likely to call for protection are relatively free from multinationals, have narrow product lines, have a ment, and are employment intensive. Governments are also likely to protect certain "core" industries that are either strategically important or at the heart of a country's industrial structure.

Accepting that we live in a "second best" world, the report suggests that NICs should accept Western demands for selective safeguards against their exports, but only when they are street. hut only when they are sare that the saleguards are temporary, and that they are truly selective. The onus must be on the Western nation to biet fively demonstrate that imports from the offending source really are causing the alleged damage.

nof necessarily result in Turner, Colin I Bandford Jr., demands for protection. Lawrence G Franco, Nell Mc-Western Industries dominated Mullen and Stephen Woolcock. selective safeguards by multinationals, such as elective Chatham House Paper No. 7. tronics and petrochemicals, Available from Royal Institute.
"Governments have been for example, are still relational Affaits, 22



This mean spiritedness has tion of (modern industrialised)

most often taken the form of countries toward the industria!

U.S. assurance on imports of reactor spares

BY DAVID FISHLOCK IN STOCKHOLM

BRITAIN would have no prob-lems with the U.S. Government dent Carter in 1977, which over import licences for major ended this spring. parts of the U.S.-designad nuclear reactor which the Central Electricity Generating Board plans to build, a senior State Department official promised here today. The British nuclear industry

expects to import about 25 per cent of value of the first 1100 MW pressurised water reactor. Westinghouse, the reactor licensee, is the preferred and reactor internals, none of which is at present mannfactured in Britain.

But doubts about U.S. policy. on nuclear proliferation and the Carter Administration's willingness to guarantee exports of so-called "sensitive" nuclear technology-that is, technology making nuclear weapons—has led the UK reactor industry to consider purchasing elsewhere.

Dr. Thomas Pickering, of the State Department, speaking nn current U.S. proliferation policy at a conference nn the future of nuclear power, said his Government had already relaxed its restraints, and had begun to for up to five years.

Fuel cycle

i desire 10° 521:

1.00

Dute

It was considering "signifi-cantly longer-term" licences for countries with what he called . non - proliferation

But Dr. Pickering warned against any idea that the international industry could return to the position on nuclear development and commerce that existed before its call for the

This evaluation had indicated that the growth of nuclear power to meet energy needs could he carried out in a way that does not unacceptably increase the risk from prolifera-tion," said Dr. Pickering.

As he saw it, INFCE was a step towarda "broadly accepted norms for the conduct of nuclear commarce and the development of the nuclear fuel cycla, and associated safesource of most components, fuel cycla, and associated safe-auch as the steam generators guard measures that take into account both enargy security and non-proliferation con

> Establishing such nerms would require "energy require would imagination, co-operation and a long-term perspective."

Government U.S. believed it was Important to move steadily tnwards removing uncertainty and friction from nuclear supply arrangements, and towards improved and brosdly-accepted ground rules for the development of the nuclear fuel cycle.

Dr. Pickering claimed that it had never been his Governuse of plutonium, the repreissue nuclear fuel licences valid cessing of spent nuclear fuel, or the use of fast breeder reactors. INFCE had "depresnuclear atmosphere, alleviated some of the devisiveness and distrust. Points still contested were "generally matters of judgment rather

than fact. After INFCE the U.S. bad a deeper appreciation of the many countries, and it believed that other countries had a International Nuclear Fuel better understanding of Cycle Evaluation (INFCE). This American worries about prowas the exhaustive study of proliferation, he said. understanding

High hope for increased investment by Japan

BY RAY PERMAN, SCOTTISH CORRESPONDENT

tour yesterday, optimistic about Britain hefore going to West the prospects for increased in Germany, Holland and Belgium. vestment in Britain.

the UK to assess the opportunities. potential for further develop-

The visit, which took two-anda-half years to arrange, is regarded as very important by the team's hosts: the Invest in Britain Buresu (IBB) and the Scottish Economic Planning Department. The UK has only 22 Japanese manufscturers. compared with from elsewbere

The Osaka Chamber, making

A JAPANESE industrial mis- its first visit to Europe, chose sion left the UK after a 10-day to spend most of its time in Mr. Seiya Inaba, the mission

The 17-man team from the leader, said that the primary purpose was to establish how and Industry, which has 24,000 member companies, visited Japanese manufacturers established in the UK were doing and to look at the investment

The chamber had started dis cussing with IBB what types of industry might be appropriate to Britain and what areas would be best suited to them.

mission While the Scotland. Economic Planning Departmen announced that the Terasak Electric Company, which manufactures switchgear and circuit breakers for industry, was to take over s factory in Glasgow creating 50 new jobs.

Transatlantic flights boost **Manchester passengers**

BY RHYS DAVID

Manchester Airport is expected to top 4m this year after a 22 cent jump in numbers handled in the first four months. The airport, the UK'a third biggest, bandled slightly more than 3.5m passengers last year. This year, numbers bave been hoosted by the big surge in transatlantic travel and by

several new rontes. . : About 40 airlines use the airport. Ten more will join them during 1980 and 1981.

Recently established services include three flights a week by Austrian Airlines to Vienna and two by LOT (Polish Airlines) to Warsaw, This year, El Al is to start a scheduled service to Tel Aviv, and next year Air Portugal will begin a regular service to Lisbon.

In the UK, services to the Isle of Man by Air UK, to Guernsey by Guernsey Airlines, to New-quay by Brymon and by Air Ecosse to Dundee have been established recently.

As for charters, which account or half Manchester's pas-

PASSENGER traffic through sengers, Air Florida has begun regular flights to Miami, and other new destinations have been opened up by Orion

another new operator. Meanwhile, a £14m has been in progress during the past two summers to strengther the sole runway and remove a hump. The work, carried out at night, has closed the airport nightly from 11 pm to 7 am.

It is almost complete, and the runway is expected to he fully back in commission with a completely new lighting system by August Bank Holiday

Long-term growth as Manchester is likely to depend on proposals for extending the 9,200 ft runway by 800 ft. The results of a public inquiry into the scheme are expected sbortly.

The extra length is needed to enable Boeing 747s to take off fully laden. With a longer run way tha airport anthorities to persuade airlines to long-haul Southern Africa, East and the North American

Calor houses cut energy costs by 50%

TWO SEMI-DETACHED houses incorporating new features in solar heating were opened here yesterday by Professor Sir Hermann Bondi, chief scientist at the Department of Energy. The main feature of the houses is a highly compact storage system developed by the Calor Group, the liquid gas distributor. This system provides space and water heating at between 50 and 60 per cent below the cost in houses with conventional central heating. Its installation costs £3,750 more than a conventional central heating system in a similar

Sir Hermann said that the system which Calor had heen

developing for three years, promised to he very reliable. Unlike other solar systems which use water in their solar roof panels, this one uses crystaline salts and the storage unit is no domestic central heating hoiler The Environment Department contributed £700,000 towards developing the system.

Lesney Products

The additional redundancies at Lesney Products reported yesterday have aiready taken place. They are not about to take place, as was stated, and the company's redundancy programme has been completed.

Monetary policy complicated by pound

UK investors created by last year's abolition of exchange controls, bas greatly increased Britain's exposure to the buffetiogs of international capital

the volatility of sterling, reflected in the sbarp ups and downa (mostly ups) of the ex-change rate during the past few months which have added to problema faced by British exporters.

It has also had important repercussions for economic policy making. The ease with which both foreigners and UK residents are moving into and out of sterling is complicating the Government's efforts to control the money supply and to restrain the rebuilding of the pound's role as an international reserve currency.

In particular, the "International" aggregates of money supply, which are not included in sterling M3, the main definition monitored by the authorities, have been growing exceptionally fast recently. This is one reason why the

Government is still cantious about cutting interest rates, in spite of success in reducing the expansion of sterling M3 over the past six months in within the official 7 to 11 per cent target range,

The ending of exchange con-trols last October allowed British residents complete freedom, for the first time in 40 years, in their external trans-

foreign currencies. As a result, during the past 75 months, large sums have been moved abroad. Private indivi-

duals and institutions have increased their lovestments on foreign banking and securities markets; hanks have increased lending in sterling to foreign borrowers: and large repay-ments of foreign currency loans have been taken up to finance overseas investments

valatility on economic palicy-making.

annualised rate of 59 per cent. This compares with the growth

provided as yet only incomplete data) of 9 per cent. Sterling M3 is defined as notes and coin in circulation plus sterling deposits held by UK residents at British banks,

excluding inter-bank liabilities. Some City analysts argue that These flows out of the country

• DAVID MARSH looks at the effect of sterling's

by the volume of funds streaming in the other direction. Attracted by high UK interest rates and the rising volume of Britain's North Sea oil revenues, foreign money from overseas This point of view is partly

investors, ranging from multi-nationals to foreign central banks has been pouring into London, most of it into sterling bank accounts. These inflows gave Britain a surplus on capital transactions with the rest of the world of about £1hn during the first quarter this year, following a surplus of nearly £500m during the previous quarter.

attention on the growth of over-

should be widened to include at least a portion of overseas sterling deposits, because these can be used by British banks as a base from which to increase their lending to UK residents.

supported by officials at the Bank of England, who concede that without the rapid growth of overseas deposits hanks would probably not have been abla to maintain their recently high level of credits to cor-Both the Bank and

Treasury say, however, that the Observers of the "inter-national" money supply aggre-gates bave been focusing does not show up in sterling levels. M3, bsa been taken into conseas sterling deposits. In the sideration in the framing of latest six-month period for interest-rate policies. When significance for the UK money which full figures are available, overseas deposits are growing supply of deposits held in over-

deposits in UK banks, at an rate of sterling M3 growth annualised rate of 59 per cent. before they can cut interest rates.

rate for sterling M3 over the other "international" money past six months (to May for supply aggregates are also being which the Bank of England has scanned by the Bank and Treasury for signs that bank depositors may be permanently money holdings following the ending of exchange controls.

UK residents foreign cur- ling deposits of UK residents rency deposits in UK banks— and non-residents beld in over-which are included in the M3 are banks (the Eurosterling money supply definition but not in sterling M3—have been growing at an annual rate of more than 40 per cent during the past six months.

This may simply be a once-and-for-all reaction to the endlng of controls. Additionally, most of these holdings are probably earmarked for spending ad. But such deposits are of definite relevance to the UK money supply now that UK residents can switch freely between sterling and foreign currencies.

Some owners of foreign currency accounts—hoth companies and private individuals—may, for instance, he using their deposits as savings instruments which can speedily he converted hack into sterling. Such switching might occur particularly if the foreign weakened 010 exchanges from its present high

controls bas also increased the for "working balances."

controls served to "police the frontier between the Europoliceman

drawn, and funds can be with-drawn from and repatriated to the UK without restrictions. As the chart shows, the stermarket) have more than trebled over the past three years, although admittedly the huild. up started from a relatively small base.

Additionally, UK residents have been increasing their foreign currency deposits in oversaas banks. This latter trend bas almost certainly accelerated —partly for tax-avoidance reasons—since abolition of exchange controls.

Closely linked to renewed international interest in sterling by investors is the vexed question of the pound's role as a

Following the run-down of the official sterling balances in pound's dramatic fall on the exchanga markets that year, the Government reached an agreeholdera in early 1977 aimed at stabilising central banks sterling reserves at levels needed

Recently, bowever, there have heen signs of an increase in is likely to limit the danger of to April, overseas investors fast, the authorities will want seas banking markets. As Mr. these balances, which represent any sudden withdrawals,

Kit McMahon, now deputy at least a possible source of Governor of the Bank of volatility for the pound and a latest statistics show that official bolders, led by the oil-exporting markets . . . and our domestic countries, increased their ster-monetary system." Now the ing reerves by £460m in the first

Mr. Nigel Lawson, Financial Secretary to the Treasury, whi is responsible for international monetary affairs, says that the Government has no intention of allowing sterling to resuma its currency

According to International Monetary Fund figures, aterling's share of world foreign exchange reserve amounted to around 10 per cent at the start of the 1970s, having fallen from well over 50 par cent after the Second World War.

Excluding the boldings of international organisations like World Bank but including official sterling deposits on the Euromarket, the pound now accounts for only about 2.5 per cent of world reserves compared with around 2 per cent in 1976.

Mr. Lawson notes that the build np of sterling reserves from the low point in 1976 has been nnly modest.

Whatever happens, the Government can afford to be some overseas sterling boldings. This ls both because of the increased size of Britain's own reaerves compared with 1976, and because the Government's tight money policy, combined with

"Energy crisis?

What energy crisis?"

As Britain becomes self-sufficient in oil, the energy crisis may seem comfortably remote. Such complacency is dangerous.

North Sea self-sufficiency won't last forever. And unless new fields are found and developed, it will barely outlast the decade. Meanwhile, the nation's oil consumption is a moving target: the faster UK demand rises, the harder it will be to keep up with.

So it's as important as ever to use oil efficiently. That means using substitutes for oil wherever possible - burning more coal, for example, in industry and power generation.

It means concentrating oil on the jobs it does best; as transport fuel, chemical feedstock and lubricant. That's why Mobil is investing over £200 million at its Essex refinery to increase by 60 per cent the petrol that can be made from each barrel of crude.

It also means developing and investing in alternative energy sources, to begin the transition away from society's present oil dependence.

But efficiency and innovation alone won't keep the crisis at bay. Britain must find and develop more of its own oilfields. The Government's proposal to release 90 more areas for exploration should be just the start of a concerted and consistent policy for further North Sea development. A second generation of North Sea fields is essential to ensure that Britain's energy self-sufficiency doesn't become a thing of the past.



Agency sells its stake in **Prosper**

THE SCOTTISH Development Agency, which has suffered a run of losses on its industrial investments, yesterday announ-ced a substantial profit on the sale of equity to a private hold-

The agency has sold its 31 per cent share in Prosper Engineer ing, an Ayrshire company which makea bolts and companents for the oil and gas industries, to Lithgow (Holdings) of Glasgow, which already owns 35 per cent of the company.

Prosper was one of the agency's first investments. It bas expanded its turnover, profits and employment steadily since it was helped four years ago. Details of the sale agreement have not been disclosed, but the agency expects to more than double the £97,000 it put into the company.

Example

Mr. Hugh Jack, the agency's industry director, said: "Prosper a orriect chample of what the agency rims to achieve. Cur investment helps the combany to develop and expand. and the sale of our interestin line with the original agreement with Lithenw-enables us to make an excellent return on capital."

The Lithgrow group was formed by Sir William Lithgow after the nationalisation of his family's shipbuilding interests. In the nest three years it has downled its workforce to about

Since the arrany started its 27-"-" '7 1976 it bas inmore than £24m in 50 -------- (n sharsholdings, . -- -- angrantes. Five have han returned to בין הלשיניה ייי

are the agency lost ci 5m on its industrial portfolio. It is likely to have to write off large sums on several commanies which have either heen sold or have closed this

Last week it said it had signed a mootion with the trading group Tozer Kemsley Millhourn to sell Stonefield Vehicles. Its largest invest-ment, which has absorbed £4m.

Pressure pipe company on short time

Financial Times Reporter

TORKSHIRE IMPERIAL PLAS-TICS has put more than half its employees in Swindon, Wiltsbre, on short-time working. Orders have slumped after Government expenditure reductions and construction industry

Tha company makes plastic pressure pipes for water or aewage. Demand from water boards and local authorities has fallen, although exports, especially to the Middle East, are healthy.

plant operates continuous process, seven days a week, and is to be sbut down for four days a month.

Ninety workers are to Inse their jobs at Turner-Spicer, of Wolverhampton, West Midlands, which makes gearboxes. The U.S.-owned company employs nearly 1,400 people at twn

The jobs will go in the trans-

Cheshire CW119DN Tel:

Unit trust funds suffer £5.5m net outflow

BY TIM DICKSON

trusts have declined by £5.5m since the start of the year, because of investors disenchantment with the equity market.

Figues published by the Unit Association yesterday show that in May units bougbt back from managers exceeded naw aales by more than £0.5m. Unit trust husiness is now at an extremely low ebb.

The net outflow of £5.5m recorded so far in 1980 compares with net new investment of £30m in the first five months of 197 and £141m in 1978.

The figures are a disappointment for unit trust managers. who were hoping that changes introduced in the Budget would halp break the recent pattern

Unit trust fortunes first went into decline last year when units cashed in reached an historically high level. In the current climate of bigh nominal interest rates and unexciting equity markets, bowever, the chief problem in 1980 has been to

attract new investors. Sales of unit trust in May at £27.8m were lower than the previous month's £31.3m while repurchases were only margin-ally higher at £28.45m (£27.08m).

Sales and repurchases in May year ago were £39.35m and £34.56m respectively. The statistics for May, 1980, corporate figures from 436 authorised unit trusts and include one initial offer.

Mr. Cholmeloy Messer, chairman of the Unit Trust Association, last night blamed the continuation of high interest rates for the "dull and dis-"producting" new business figures last month.

Referring to the recent rise in the UK stock market, he said equities were now beginning to anticipate some of the good news. "Investors now really ought to think very hard about buying unit trusts or they will be too late," he said.

FUNDS MANAGED by unit prices will certainly give new heart to unit trust managers, who are in many cases looking forward to the launch later this

> gilt-edged securities. New regulations relating to the tax treatment of unfranked income were published in the Finance Bill. These changes mean that managers will soon be able to market tax-efficient fixed interest authorized unit trusts for the first time.

> year of funds specialising in

But Mr. Messer sees the main benefit accruing in the long term. "I don't expect we will sell a vast number of units in 1980 but I will be very dis-"'I don't expect we will appointed if this is still the case by 1990." Mr. Messer, mean-while, sees the first new tax-efficient gilt fund being launched in September.

Besides this new opportunity, the Chancellor also announced in the Budget that unit trusts (together with investment trusts) will be exempt from capital gains tax.

Annther hoost came at the end of last year when the Government announced that unit trust management charges would no longer be controlled. Although few trusts have yet acted to increase their charges thia concession will he a relief for some unit trust groups squeezed by the poor demand for new units.

Lex, Back Page

Curb diplomats' parking-call

TOUGHER ACTION should be taken against diplomats who abuse London's parking laws Greater London Council has told Mr. Douglas Hurd, Minister of State at the Foreign and Commonwealth Office.

Mr. Alan Greengross, Leader of the GLC Planning and Communications Policy Committee "In future, diplomats' e too late," he said. Unpaid tickets may no longer be The recent rise in sbare antomatically cancelled."

Sassoon trims Bond Street operation

AN HISTORIC chapter was closed yesterday for Vidal Sassoon, the world famous bairdressing group when one of the earliest of its prestige salons was sold to an Italian

retailing chain.
The New Bond Street outlet in London's Mayfair was opened in the early 1950s by Mr. Sassoon. But after a sharp increase in overhead expenses the Sassoon group decided to throw in the towel and sell to Nazareno Gahrieli; a fashionable leather goods group.

The New Bond Street premises frequented by film stars, dukes, duchesses and a host of jet-set luminaries will become a trendy centre for Italian leather goods.

Although the selling price was not revealed. Mr. Louis Rodwell, the property director for Sassoon, said yesterday that a considerable premium had been paid. The final blow had come recently when the rent was increased from £14,500 g year to £55,000 a

The amount of rent may not seem important when one considers that Vidal Sassoon, who started work in London's East End, reached inter national fame in the 1960s.

Hairstyles

Fashion and cosmetics designer Mary Quant insisted that all her models should wear Sassoon hair styles. Mia Farrow insisted that Mr. Sassoon be flown out to Hellyroed to style her hair for the

But Mr. Rodwell noted sadly: Inst look of the economics of all life is no longer viable do be a hair dresser in Rombistreet.

The Sastoon empire, worth about 524m in the U.S. is down to six outlets in Britain But the group is expanding rapidly into a rating of health and hearity products.

In Britain, Sassoon makes shampoos, empiricans and hair sprayer in the U.S. a line of sking care products.

appears to be doing well a few months after its launch. There is even a heavi-franchised range of Vidal Sassoon Jeans. These develop-ments are expected in the UK

Negreno Gabriell, the haute contine Ballian retail chala with branches in Bereity Hills, Tokyo, Hong Kong and Dusselderf, plans to open its first London shop on the premises of the Sassoon salon in the antenna. It lost won't be the same

Post Office launches first electronic mail system

BY JASON CRISP

THE Post Office launched the world's first public inter-national electronic mail system yesterday. It will send a single aheet of letter or drawings by satellite to Toronto in less than

Mr. Ron Dearing, chairman-designate of Posts and National Girobank, inaugurated the facsimile service by sending a letter from the London Stock Exchange to the Canadian Post-

master General in Toronto. The Post Office plans similar links with cities in other countries and within the UK. By the end of this year it plans to bave links between London and the - Netherlands and Belfast. Next year, it hopes to be able to transmit letters

electronically to Hong Kong. From today, companies in the City of London will be able to send a page of copy or drawings to Toronto within three hours of its being handed in at the Post Office at the Stock Exchange. For companies elsewhere in

the London postal area it will take longer. It may be collected by the Royal Mail's Expresspost, at extra cost, or handed in at two other main London Post

subsequent sheet. It will be half price for the first three months. The page is scanned by a facsimile machine in London that transfers the information to a computer capable of storing up to 1,000 pages. That transfers the information in digital form to Toronto via satelite-a surface distance of 3,500 miles.

A similar machine then reassembles the page as an exact copy of the original. Typescrift, graphics and signatures can all transmitted by the system.
The Post Office bas not established a public facsimile link with the U.S. because the Federal Communications Commission would not permit it. Complex regulations governing the U.S. postal authority have led to a fierce and contentions battle about whether electronic would infringe monopoly granted to the separate telecommunications

authority. Although the Post Office service is the first public facsimile hetween countries, the German Bundespost has public facsimile between cities.

Most large multipational companies have private facsimile equipment for communicating Offices.

The new service, called Intelpost, costs £4 for the first aheet

between nffices and countries.

Where machines are compatible they can transfer documents to

other companies over the public Although Intelpost has the capacity to transmit 1,000 sheets of A4 a day to Toronto, the Post Office expects that it is will be

sending only a few hundred a week at first. It expects its main users to be businessmen, designers and lawyers.

Aged penalised by fuel costs

GOVERNMENT measures for against rising fuel prices "will prove too weak to prevent thousands of elderly people experiencing the misery and danger of cold conditions for yet another winter, warned Mr. David Hohman, director of Age Concern England, at the annual general meeting of the organisation in Leeds.

Considering the fact that gas prices are going up by 32 per cent this year, and that electri-city, solid fuel and oil prices are also spiralling, while inflation is running at over 20 per cent, the 16.5 per cent increase in the retirement pensinn, payable this November, looks extremely meagre," be said.

the public, I would have gone

While he welcomed recent

out potential defects on other

cars and on which they felt

inadequate remedial action had

of owners did not respond to

recalls. A quick response to

any recall was essential, he

"worryingly high" number

GLC backs Maplin as London airport

FINANCIAL TIMES REPORTER

Government's _ choice. Stansted, in Essex, was made on "wrong information" concern-ing costs and operational times It says that its proposed two-centre airport at Maplin and East London linked by fail would be cheaper than Stansted at an estimated 1845m compared with £995m. It claims Maplin could be operational in about six years after receiving the go-ahead. The Government has been told that it would take 17

London: Customs and immigra. Trade, said: "There is not, in tion controls could be carried my view, the remotest possiont on the trains. An air-freight bility of any government ever complex would be developed in resurrecting the Maplin pro-Docklands, which would also ject."

GOVERNMENT proposals for a provide the site for a second third London airport at passenger terminal and ancidary by the Greater London By splitting the airport's Council which unveiled its own detailed plans for a two-centre airport based on Maplin and employment not only at Maplin London's East End.

The GLC claims that the North Thanses corridor.

This would save the capital expenditure on building a town around Stansted where sers the GLC, the surport would do nothing to fill empty bousing or overcome a continuing employment shortage."
Mr. Alan Greengross, leade

of the GLC's Planning and Communications - Policy Committee, said the council would have no difficulty in getting a consortium together to back the

The GLC plan involves pro- gross said the GLC would convision of basic terminal facilities sider submitting a planning at Maplin with a special film application for the first stage rail link, running largely on the of an airport at Maplin. existing rail network, carrying Earlier this year Mr. John passengers to terminals in East. Nott, Secretary of State for

Unemployment likely to force change in strategy'

BY DAVID MARSH.

according . to Cambridge Econometrics, the forecasting group linked to Cambridge University.

In a report published yesterday, the group says the Governthe Government should try to do ment's medium-term financial what the private sector can do strategy, if carried through to its logical conclusion, would cause unemployment to rise to letters from car nwners pointing about 2.3m next year and to a plateau of 3m hy about 1984. This would be close to the jobless peak reached in the 1930s, been taken, he also warned that and would probably last longer.

It says, however, that the Government is unlikely to allow this to happen. Ministers are likely to allow a slight rise in public expenditure from the restrictive levels laid down in the medium-term strategy in order to keep the unamployment total down to around 2.5m by 1984.

This policy moderation would still enable the money supply to grow by less than II per cent this year and by IO per cent next year. It would allow both has been made by Predex, the a fall in interest rates and a New York-based group. SMMT became effective in July next year. It would allow both

THE THREAT of unemploy cut in income tax—to be paid ment rising towards 3m in the for not through deeper reduc-early 1980s will probably force tions in public spending out out the Government to relax its of North Sea oil revenues. plans in cut public spending Although it uses its profits to

Cambridge. University, Cambridge Econometrics is separate from the economic forecasting team at the university's Department of Applied Economics, which has also recently forecast a sharp rise in unemployment in the 1980s.

The group calculates that according to the medium-term strategy, Government current expenditure would be likely to fall by an average 1.2 per cent a year in real terms between .1980 and 1983.

It envisages that this plan will be relaxed to allow current spending to grow by around 0.5 per cent a year during this period. The biggest change is expected to come in 1982, when it sees spending rising by 0.8 per cent instead of falling by 2.2 per cent.

• A further forecast that sterling is likely to remain reasonably strong against the dnllar and other leading currencies in apite of Britain's above average rate of inflation

Routine check 'should reveal Accountants may ban Reliant Robin safety hazard' 'window-dressing' BY JOHN GRIFFITHS BY MICHAEL LAFFERTY

might be damaged..

fitted.

the way to improvement

London Transport could be among the least aubsidised. But improved in aix major respects the executive board "is weak

aays a highly critical report on in skills that are required to the LT Executive Board by PA rnn a large business and indeed

International, the management to manage itself as a board." The report says the executive is "shell-shocked, with a limited sense of purpose a limited vidual members of the shell-shocked is the shell-shocked with a limited vidual members of the shell-shocked with a limi

reinforce the steering box

since the start of this year bave

had an entirely new systam

Of the Robins just inspected.

mounting hracket modified in

of type in the world." It is also

chafing, although not

Robins produced

THE PRACTICE of "windowdressing is likely to be out-lawed by the Accounting Standards Committee in a new accounting standard to be issued shortly. The ASC is the rule-The standard, to be known as making body for UK company acrounting matters.

The committee is responding to suggestions made by the Department of Industry and the Bank of England. Both expressed concern about the practice by which transactions may be specifically contrived at the balance-sheet date to give an unjustifiably favourable view of a company's or bank's finan-

cial position. "Window-dressing" last came into prominence in 1975 when the Department of Trade inspectors' report on London and County Securities. the fringe bank, was published. The inspectors, one of whom was Mr. David Hobson, aenior

of Coopers and partner Lyhrand, the leading accounting firm, recommended that there abould be closer surveillance and control in this area. The committee's response was

to bring "window-dressing" within the acope of the forth-

superb trucks first hand,

Sandbach for the name

of your nearest ERF

write or telephone ERF at

Britain's best

all-round truck is

no longer playing

hard to get

frandulent falsification accounts, which is unlawful. The standard is limited to the practice of "lawful arrangement of affairs over the yearend to make things look dif-

coming accounting standard on "Post Balance-Sheet Events." be spotted during rnutine servicing and MoT tests, Mr. This was recently approved by the committee and is likely to Norman Fowler, Transport Minibe published in August. ster, sad yesterday.

SSAP 17, sets down that there should be disclosure of "wiodow-dressing" where there is reversal or maturity after the year-end of a transaction entered into before the year-end, the aubstance of which was primarily to alter the appearance of the company's balance sheet." A background technical note involved in three recalls to

will be issued with SSAP 17. It explains that "window-dressing" is not a precise term. Some people believe it extends to

ferent from what they would otherwise have been at a year

BY LYNTON McLAIN

PERFORMANCE

sense of purpose, a lack of clarity about its business, and a

cosy consensus approach where

atrategic issues are not dis-

A POSSIBLE safety hazard on enough to be an immediate cars that: "If I had thought safety problem. Te nvebicles that was the best way to protect Reliant Robin three-wheeled badly chafed pipes, and cars is of a type that should bad seven had had either poor weld- down that road. But in this ing in the supporting bracket or area I do not believe that further modifications fitted

Department of Transport inspectors have just finished The DoT is still examining just as well or better." the problem jointly with examining 969 Robins, follow-Reliant, but in the meantime is ing a BBC-TV That's Life proinstructing testing stations to gramme which asked whether check Robins' pipes and steerwork to rectify a steering defect ing mechanisms with extra care. It is also asking the Society of was being carried out in such a way that fuel or brake pipea Motor Manufacturers and Traders and the Motor Agents' During the past three years Association to alert their some 50,000 Robins have been

members to the problems. Mr. Fowler said owners should have their vebicles checked immediately if they had any doubts about whether their cars bad been modified

Mr. Fowler yesterday defen-809 bad had their steering ded the Government's decision accordance with instructions turers responsibility for investi-given to dealers in the last gating motor defects and gating motor defects and recall. About 150 showed some deciding on remedial action. He told a conference on safer

said, no matter bow trivial it appeared at first sight to be. Nineteen recall campaigns, involving 56,339 vehicles, were undertaken between January 1 and March 31 this year, the DoT reported yesterday. Sixty-two

campaigns bave been initiated since a voluntary code of practice set up by the DoT and **Advisers show London Transport**

Tribal art takes £2.29m total

CHRISTIE'S sold the fifth and finel section of James Hooper's collection of tribal art for £474,312 yesterday, making a total of £2,299,067.

Oceanic art and went very well, with less than 1 per cent bought in. The top price was £190,000, plus the 11.5 per cent buyer's premium and VAT, by a private collector bidding on the telephone for an Austral Islands wooden drum, one of the few of its type known.

tively ineffective in monitoring the performance of the bus and wood canoe ornament and £16,000 for an Austral Islands

Other high prices were the £80,000 for a Marquesas Islanda

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wood flywhisk handle. An after-noon sale of tribal art totalled £332,580, with 26 per cent bought in. The highest price was £65,000 for a Fang wood The session was devoted to male figure.

> SALEROOM BY ANTONY THORNCROFT

The relative weakness in demand for paintings in London was well illustrated at Sotheby's Belgravia auction of Victorian with 36.6 per cent bought in.

find buyers, but the mediumrank lots are hard to dispose of Top price was £9,000 for The Wayside Inn by Heywood Hardy. Glasgow, by Juhn Atkinson Grimshaw made £6,000, and Outside the Village School, by Henry Boddington, £5,500.

At Sotheby's, Bond Street, a pair of silver-mounted presen-tation flintlook hulster pistols of 1790 far exceeded their estimate at £15,000. In the English enamels sale Winifred Williams paid £4,200 for an ormolu and Belgravia auction of Victorian enamel wall clock made about pictures, which totalled £279,490, 1765 by Windmills of London

However, the management where needed consultants say their recom-mendations could result in greater use of the services by ERF. Acknowledged as Britain's best all-round truck. Above all, the report says that Low profile cab, complete with moulded fire-resistant SMC glass the executive hoard fails to act tive but was "a reflection of fibre panels mounted on a powerful rust-resistant steel saf as a corporate board rather than our corporate ability to pull it the public; improvements in the level and quality of service; an as a group of individual memcage. Well proved major components making up a choice of all tngether." engine, gearbox and axle units. improvement in financial per-However, Mr. Leslie Chap As a consequence, it responds formance; reduced dependence man, the part-time hoardto and defends its position against the GLC rather than tak-Top economy, superb reliability. member and author of "Your Disobedient Servant," dis-agreed. He said that the PA on financial' support from the As an all-value all rounder, the ERF hasn't a rival. Greater London Council; re-stored public confidence in LT; ing the initiative. The board also administers, authorises and And they're now and improved relations with the analysis of the weakness was a responds to the action of the two plain unarguable statement of businesses rather than directing The first step, says the report. should be preparating of an

expected. The role of Mr. Ralph Bennett, chairman of the executive, is highlighted. The report says that the initiative and sense of purpose in remedying the weaknesses in LT's corporate operations "must stem

action plan, clearly showing

dates at which benefits-financial and in service-can be

from the chairman." PA describes London Transport as "the largest, oldest, and lated its objectives into a overall performance of London most complex undertaking of its strategic plan; was too pre-

Mr. Chapman told Financial Times earlier that the report was the most scathing on management be had ever seen. But he said it was perfectly justified, extremely accurate, penetrating and comprehensive.

In a detailed diagnosis the PA report says the executive that the executive adopts a board bad a limited sense of purpose; lacked clarity in its business culture and agreement oo its objectives; had not trans-

tube businesses; and did not ensure firmly enough that remedial action was taken

occupled with day-to-day opera-

tions and weak in gaining

acceptance for its policies by

The executive board was also

insufficiently outward-looking;

did not communicate well its

sense of purpose either out-wards or downwards; was rela-

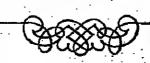
PA rejects the idea of a hold ing board overseeing the tube

and bus businesses. recommends that the chairman, who should combine the functious of chairman and chief executive, shoold have three key tasks—to re-establish relations with the GLC, to instil a sense of purpose into LT, and to ensure corporate approach.

PA says that the LT executive should employ a second part-time member to monitor the

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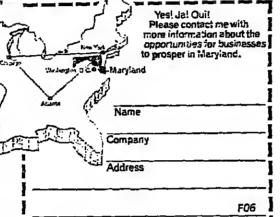
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UK NEWS - LABOUR

Union to put forward BL plan

TRANSPORT UNION leaders trigger the collapse of the strategy. within BL Cars pulled back business, although more probyesterday from an open con- able would be further sharp frontation with the company reductions in the fixed cost base, while support will be sought over plans to shed more than that is plant closures, investing from the company for a joint ment cuts and manpower reductions in the fixed cost base, while support will be sought to the Government for

More than 60 shop stewards tions," and union officials met lu Mr.

Cars during 1980-83 could mend a positive alternative

Grenville Coventry to consider a report national automotive secretary. The low-key stance of the commissioned by the union for the Transport and General TGWU might be interpreted as from Eurofinance, the Parisbased management consultants. Workers' Union, said there was vindication for the kard line never any mention of industrial taken by Sir Michael Edwardes, action or strikes. The men voted the BL chairman, who cars the period 1980-83 will be The report warns that for BL action or strikes. The men voted the BL chairman, who cars the period 1980-83 will be to set up a committee "to put threatened to dismiss workers critical. "Depending on their flesh on the bones" of the unless they accepted the 5 per force, short-term shocks to BL Enrofinance report and recompany package.

Cars during 1980-83 could mend a positive alternative However, the union remains

It is hoped the work can be completed within a few weeks whne support will be sought more finance to boost invest-

pledged to support any workers who resist closures. While there is certainly no move for militant action at the moment, TGWU leaders feel they need a positive

alternative strategy The introduction works methods at Longbridge. Birmingham in preparation for launched in October-is seen as one potential trouble spot. Union leaders also fear that unrest over wage levels might be more difficult to contain in the next pay round and could lead to disruption.

Talbot chairman gives warning on job hopes

BY ARTHUR SMITH, MIDLANDS CORRESPONDENT

will depend on a major review later this summer, Mr. George Turnbull, the chairman, said

His warning is bound to influence talks on the annual pay round due to open in Coverty

Union leaders are expected to lodge a claim for a wage increase of well over 25 per cent.

A similar demand last year Engineering resulted in a three-mooth strike at the two Coventry plants be-fore workers returned with a 5} per cent increase.

Mr. Turnbull told motoring writers in London that much depended on the company's salesperformance in August, the month when new registration numbers are introduced.

He also raised the possibility of short-time working at the company's Stoke engine plant, Coventry, which supplies components for resembly in Iran. Cotput in Iran had dropped recently, and it might be necessary to trim sale; he said.

Talbot had expected to sell 100,000 kits this year, worth

more than £100m. Mr. Turobull said Talbot had raised productivity in the UK SENIOR MANAGERS were The proposed changes in the warned yesterday by Mr. Len law affecting secondary industriary, that even the most "forward-looking" manufacturing cumstances of the winter of companies would have little 1978, and were full of traps for but needed to match the levels achieved in France by the parent company. Peugeot-Citroen. "If we can do so the

IOB PROSPECTS at Talbot UK question of investment will be imported from Isuzu, which is will depend on a major review looked at more favourably by partly owned by Vauxball's our French parent" company,

He still hoped the company would break even this year, and move into profit in 1981. . Vauxhall, claims It does not move into profit in 1981.

• Union leaders bave instructed Vauxhall workers to black range, and the market is too Jamanese motor imports. The Japanese motor imports. The han is aimed at Vauxhall's model worthwhile.

marketing of the 1-ton Isuzu Engineering and transport all the spares in Japan and also workers at the Luton and Dunabout the imbalance of the staple plants and the Toddingstaple plants and the Toddington spares depot have been told
not to handle any parts made
in Japan, and not to load or unload any vehicle of Japanese
imports is traumatic. We are not
talking specifically about Vaux-

Jobs Bill will bring

strife, says Murray

BY NICK GARNETT, LABOUR STAFF

cootrol over the way industrial relations would deteriorate as a result of fortbcoming changes

The Employment Bill, due to

become law next month, had

aiready soured the industrial

relations climate, was making unions more defensive than

positive, and included specific

ployers to far greater disrup-

Mr. Murray, speaking at a one-

Development, on employment laws, said that few companies

had availed themselves of the

legal machinery open to them egainst trade unions in the

early 1970s. He believed that

manufacturers would take the

Customers, suppliers and eccentrics would use the

law, so manufacturers would not

be exempt from the conse-

would use the

same view this time.

Accelerated Management

in employment law.

tion, he said.

compete with any of its existing

Union conveners are angry that Isuzu is insisting on making manufacture."

Since April about 600 of the hall, but fobs throughout Japanese pick-ups have been Britain."

both the unwary and the wary

The TUC had its own codes of practice on picketing, sald Mr. Murray, but one union

general secretary involved in a

recent dispute had told him that

he was not prepared to abide

by these because of the impending changes in the law. About

secretary would have been

much more responsive to the TIIC guidelines.

Mr. Jim Lestor, Junior

Employment Minister, speaking

at the same conference, said that the Employment Bill had

been modified to take account

of industrial realities and would

be workable.
The new laws would lay down

"ground rules" enabling managements and unions to get

on with their jobs while the individual was protected.

represent a fundamental change in industrial relations law, but

would bring stability.

The Employment Bill did not

emnloyer.

changes which exposed em 18 months ago this general

The figure compares with 878,000 days lost in April, 1979, and an average of 240,000 a month, excluding the effects of the steel strike, in the first lives months this in the first three months this

Industrial stoppages during the month amounted to 161, including 44 carried over from

An estimated 292,700 workers were involved: 92,400 in stoppages that began during April and 200,300 in stoppages continued from the previous month.

that began in earlier months Of those involved in stoppages that began in April. 79,700 were directly involved and 12,700 indirectly.

days lost during the month included 585,000 lost through stoppages continued from

National Graphical Association in its pay dispute with provincial newspaper and general print industry

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Balance Sheet Total advances DM 8.8 billion to DM 75 billion Credit Volume increases 16.4% • International Business continues to expand • New York Office started operation • The Bank's Equity rises to DM 1.85 billion

Highlights from our Subsidiary and Participations

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Asien-Pazifik-Bank (50% holding): Business Volume aggregates DM 0.5 billion

Highlights from the Balance Sheet as at December 31st, 79

ASSETS (i	n DM million:	LIABILITIES	(in DM million)		
Cash	843.5	Due to banks	19,240.1		
Bills	317.6	Other creditors	6,914.2		
Due from banks	16,934.8	Oulstanding debentures	30,355.6		
Treasury bills and other securit	ies 5,206.9	Loans on a trust basis	<u> </u>		
Due from customers	34,883.0	at third-party risk	7,998.6		
Loans on a trust basis		Provisions	344.7		
at third-party risk	7,998.6	Nominal capital	600.0		
Trade investment	450.7	Declared reserves	1,254.0		
Land and buildings	326.1	Profit	45.0		
Other assets	1,193.3	Other liabilities	1,629.3		
Assets of Landesbausparkass (Building and Loan Association		 Liabilities of Landesbauspa (Building and Loan Associa 			
TOTAL	74,960.2	TOTAL	74,960.2		



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Personnel are expected to get a mandate today to go ahead with merger talks with the higgest union in the printing industry, the Society of Graphical and Allied Trades, which has nearly 200.000 members.

The mandate is sought by the union executive at Natsopa's hiennial governing meeting at Southport. council

Natsopa officials have already gone a long way in amalgama-tion talks with SOGAT. A progress report on the negotiations will be presented today.

of disagreement. The Natsopa executive has waited for its governing council to express a view before going further with the proposals.

Mr. Bert Ball, Natsopa president, came out strongly in

favour of amalgamation when the governing council meeting

L and G hit by action

By Our Labour Staff

THE headquarters of the Legal and General insurance company at Hove was hit yesterday by industrial action which is ex-pected to spread to the com-pany's other offices today. Members of the Association of Scientific, Technical and

Managerial Staffs are restricting the use of the telephone for general insurance business, banning overtime and cover for absent staff, and operating a general policy of non-co-opera-

The company said vesterday that the union was telling members to use the telephone for life assurance business, death claims and permanent health insurance. Legal and General bas made

an offer of 16.2 per cent, following a 5 per cent payment to January, in a deal to run nine onths from July.

Print unity talks likely

LEADERS of the 55,000-strong started yesterday and said he National Society of Operative doubted whether the union Prioters. Graphical and Media could continue much longer as

a separate entity. Recalling "the battle of The Times" in 1978-79 and "the challenge thrown down by the Daily Express" in the courts earlier this year, Mr. Ball said:

These attacks won't cease.
"All the indications are that many more will be launched, from the employers' front, from the Government and from new technology."

Strikes cost almost 1m days BY OUR LABOUR STAFF

959,000 working days in Britain during April although the national steel strike ended on the second day of the month. Department of Employment statistics showed

The last figure also included 46,000 workers involved for the first time in stoppages

The number of working

Prominent among the indus-trial disputes was the pro-gramme of selective action by

Junior Motherhood costs jobs'

THE VIEW that most women who work during pregnancy qualify for maternity pay and reinstatement in their jobs was found to be incorrect in a survey published yesterday in the Department of Employmen Gazette. The survey of 2,414 women

at work during 1979 including 1,100 who had been in em-ployment during pregnancy was funded by the Department of Employment as the first part of a study into the operation and effects of the maternity rights provisions of the 1978 Employment Protection Act.

The findings by researchers in the Pollcy Studies Institute showed that only half the women surveyed who were working during pregnancy qualified for these rights. Of women working during their pregnancy, 26 per cent gave notice that they would return but only 10 per cent actually went back to their former

Keith Jackson of CMS Limited will present a seminar on 16th-18th September 1980 to show company executives how they can:-

iocus the data processing resources on the real business needs and . company objectives

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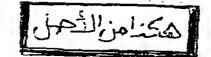
decision making become conversant in computer jargon and computer concepts

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Please send	me details of	Computer Apr	preciation for C	ompany
Executives'	16/18th Septem	ber 1980.		

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Section 1

क्षा स्वत्य इ.स.च्याची संस्था

YOU HAVE TO BE LOADED TO APPRECIATE THE CITROEN SAFARI



What happens if you load up a conventional estate car to the tune of over half a ton?

The back sinks, the nose points up in the air and the handling could be described as a joke. If it weren't such a serious matter.

What happens if you subject a Citroën Safari to exactly the same load? Nothing.

Citroën hydropneumatic suspension keeps the car strictly on the level and the roadholding manners remain outstanding, even when compared not with estates but with luxury saloon cars.

This unique ride and roadholding capability is enhanced by the ability of

hydropneumatic suspension to iron out the bumps in the road.

Aerodynamics, which extend to the underside of the car, suck it down on to the road. While VariPower steering, which becomes firmer as you go faster, completes a sense of security which is hard to equal in any car at any price. Even if a front tyre blew out at high speed on the motorway, you would simply go on driving, and steering, the car until it was safe to stop.

And, reassuringly, towing a big caravan or a boat is no strain on the car. Or on you. This is because self-levelling suspension enables you to tow up to 1¼ tons with safety and peace of mind.

Firstly, because the car is kept level,

so is the tow bar, virtually eliminating the chance of its dipping and hitting the road on sharp hills. Secondly because the risk of the car being buffeted by turbulence from overtaking traffic is reduced.

And, if your wife has any inhibitions about handling a large spartan estate car, please include her in on the test drive.

She will be highly appreciative of luxuries like sumptuous carpets and electric windows—not to mention the ease with which she can manoeuvre the big Safari, with a load space of 75 cu.ft.

Thanks to Varipower steering, which becomes lighter as you go more slowly, she can park the car with her little finger.

Loaded or not.

BUT THEN AGAIN YOU DON'T. £7302

SURVEYING

Aids study of sea bed

INFORMATION in the form of recorders. sonar signals from both side-scan and sub bottom profiling from the sonar is variable to equipment can be presented on a conventional TV monitor as a rolling map display of the sea display is variable from one a rolling map display of the sea bed under a development by Ulvertech of Barrow.

Ivertech of Barrow. A freeze switch allows a New details are presented at viewer to fix a particular disthe top of the mouitor screen play without updating. as old information is removed Major advantages from the from the bottom thus creating use of the equipment, Ulvertech the rolling movement and the says, are the ease with which the rolling movement and the unit is self-contained with one console housing the display monitor and its associated

Operating on 115 to 240 volts AC, the display gives eight grey a first system of this type to scales as standard with 16 the Bath University School of optional and is video compatible so that recordings can 112 Duke Street, Barrow in be made on standard video Furness, Cumbria. 0229 28004.

ELECTRONICS Micro-compatible clock

THE SELF-contained design device known as the MM58174, unit set up by National Semi-incorporates an oscillator run-conductor at Greenock, which ning from a 32,768 kHz crystal, has the specific task of building UK expertise and developing products for the European market has announced the first silicon) devices, a micropro-cessor-compatible clock circuit.

Using one of the company's CMOS technologies, the product can run for long periods from a small battery in the absence of a mains supply. Housed in a Horne 16-pin dual in-line package, the 47147).

a programmable interrupt facility and a clock with a resolution of a few tenths of second. Leap years are accounted of a series of MOS (metal oxide for by the use of an additional register.

second to ten milliseconds.

survey teams can run "before and after" tests to provide a quick assessment of how sea

bottom profiles have changed.

Ulvertech has already supplied

Physics and is operating from

Applications will be in point of sale and bank terminals. event recorders, controllers and similar equipment where "real" time is required.

More from 301 Harbur Centre, Jorne Lane, Bedford (9234

Tough logic controller

NOT MUCH bigger than a shoebox, a programmable logic
controller rather curiously
called "The Gnome" made by
called "The Gnome" made by
high level of reliability and is
backed up with an unusual
guarantee of five years against
parts and labour.

one printed card and centains
ultra-violet erasible memory
able to store 1, 2 or 4k of
corresponds roughly to a contact in a relay ladder diagram
or to one of the several
powerful machine instructions.
Scan time is five microseconds
parts and labour.

printed boards for input, out- tions and 256 scratch pad put, timing and logic control memory locations .. purposes, plus built-in power

The logic unit is mounted on 29521).

NOT MUCH bigger than a shoe- one printed card and centains parts and labour.

It consists basically of a units will address up to 256 number of vertically mounted inputs/outputs in any combina-

More from Charter Way, Macclesfield, Chesbire (0625

This is a one-man undersea vehicle called the Spider (self-propelled inspection diver system) which is operated by Wharton Williams of Aberdeen-It recently completed its first commercial contract in the Argyll Field in the North Sea and is seen here being holsted from a test tank. With a maximum operating depth of 610 metres, 'Spider' has hydraulically operated claws on fully articulated arms which the operator inside the vehicle uses to carry out the usual diver's tasks. Within the pressure hull, the operator breathes normal air, thus eliminating the often hazardous and costly decompression procedures associated with deep mixed gas diving. The handling system enables the unit to be deployed without the need. for a specialised surface support vessel. In the case of the Argyll Field operation, the vehicle was mobilised aboard the conventional field supply vessel 'Stirling Ash'. The total system weight is under 25 tons.

PROCESSING

Reduces scale in the tubes

EFFICIENCY OF the main on the main manufacturing promanufacturing operation in the cess. However, the recovery process industries very often plant cannot work efficiently depends on subsidiary processes when the beat exchange surworking effectively. This has been found by the chemicals fouled by bard water scale division of British Industrial deposited by the cooling Plastics, which has just installed an electrolytic device at its Oldbury works to prevent for-mation of hard water scale in a solvent recovery condenser. The company is now able to count on higher output potential for its main synthetic coodenser, resin manufacturing plant. This is

Simultaneously, maintenance costs have been cut and outlay on chemicals for water treat-ment has been reduced. Results of this experimental installation have been carefully monitored

Methanol solvent is an essen-

cess. However, the recovery

BIP's engineers bave solved their problems by an apparently simple device which consists of a short length of pipe with a special alloy insert installed in the water feed line to the This is called the Colloid-A-

Tron and is leased to the company on the basis of an annual rental by Anglia Fluid Treat-ment, PO Box 34, Shipston-on-Stour, Warwicks.

It causes pressure changes, and evalued by both the plant turbulence and electrolytic engineer and the works chemist. action which together precipitate the dissolved scaling salts tial element in BIP's resin as fine colloidal particles; these process, and unless it can be do not sink but stay suspended recovered and stored at adequate in the water in an inert form rates there is a restrictive effect so that they pass freely through

the condenser and do not deposit as scale.

Following the Oldbury instal-lation, BIP's plant engineer reports visual and operational improvements in plant performance. Instead of bard scale deposits, which hampered condenser efficiency and had to be jetted away, only a soft sludge now forms; this is relatively harmless needing to be washed away only once a year.

Fall off in solvent recovery rate (which preceded jetting) no longer occurs, the recovery plant is working well.

COMMUNICATIONS

More use of radio links

BETTER utilisation of existing in either, simplex or duplex radio links is promised with a mode at speeds of 50 or 75 new type of modulator/demodu-bands. lator which will allow low-speed teleprinter or data signals to be transmitted over HF radio

First-stage models have been ing te delivered for evaluation and the equipment is expected to be in production by the end of the present financial year.

Coded LA1117, the unit is

a shift-tone modulator which will give a low rate of errors even where signal to noise ratios are poor. Operation is Berks RG12 1RG.

The equipment will take a sequence of ten characters per second from a teleprinter or other source and turn it into The equipment, known as a a series of six tones spaced 6/12 tone Piccolo modem, is from 460 to 560 Hz at 20 Hz being developed under a £im trom 460 to 560 Hz at 20 Hz at contract by Racal Communications for the Ministry of 200 to 620 Hz at the receiving dentically spaced tones from 400 to 620 Hz at the receiving of the Foreign and Commonwealth Office, the army and other military units.

First-stage models have been to the receiving of the foreign and Commonwealth office, the army and other military units.

Automatic synchronisation and built-in fault-finding are provided and transmitter powers can be kept low.

Racel

Communications,

• AIR CONDITIONING

Power demand reduced

six months ago of an antomatic solid state chiller control system, called Chillitrol, energy savings equating to 35.7 per cent have resulted at the new headquarters of Howden Management and Data Services in Billiter Street London EC3 Billiter Street, London, EC3. Over 2,000 installations of this system have been carried

out in the past three years in the U.S., and Chillitrol will now be marketed throughout the UK (subsequently, the Continent) by Service First International,

48 Southwark Street, London, SE1 (01-403 1688).

These savings in electricity consumption are confirmed by consulting engineers, James H. Pull Associates who monitored the installation on a daily basis, and it is anticipated that Howden will achieve a payback den will achieve a pay-back period of capital cost in sub-stantially less than two years. even allowing for inflation at 15 per cent and the estimated rise in electrical charges.

Air conditioning systems serving the City building are supplied with chilled water produced by a conventional central water chilling plant consisting of two centrifugal type

machines.
Chilled water is distributed by a primary chilled water

FOLLOWING THE installation pump set to serve the cooling

from the common return of the primary system to serve the induction units of the perimeter air conditioning systems and also a number of fan coll units.

Following its monitoring of the pilot installation in the City, the consulting engineers report that although the test period over which the recorded data was obtained here was of relatively abort duration, the estimated input power saving obtained ' corresponds very closely with the savings calculated from a theoretical

times of the year to enable the projected savings obtained by calculation to be verified for other chilling plant load conditions.

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Introduced by Data Type Computer Applications, ander exclusive UK agency agreement with Charles River Data Systems, the DT-11/2F system combines the DEC micro with dust Shugart SASOO flexible disc drives in a single 10; inch ack-mountable enclosure. GRDS has a controllers hat

provides dual density operation and compatibility with DEC's floppy disc system.

Support of several terminals for a number of users is provided by the use of the LSI-11/23 processor. DT-11/23F and /23D are offered with dualfloppy disc and Winchester disc storage respectively, and 128K bytes of RAM. Using the time-sharing executive, up to eight users can run simultaneous work on the equipment.

The 14-inch Winchester technology disc, boused separately from the processor but in a similarly sized cabinet, provides

Data Type Computer Applica-

tions, Unit 213, Springvale Industrial Estate, Greenforge DEBORAH PICKERING NP44 5BE (063-336 5307)

All of these securities having been sold, this announcement appears as a matter of record only.

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APPOINTMENTS

ICI executive joins Ellis & Everard

of Imperial Chemical Industries. of impediate chemical industries, has been elected as a second director representing ICI on the Board of ELLIS AND EVERARD.

Mr. Dale was previously on the Board of Ellis and Everard (Chemicals).

Mr. John Lindesay-Betkune has been appointed chairman of the CITY OF WESTMINSTER



Mr. John Lindesay-Bethune

CHAMBER OF COMMERCE, He ia the managing director of the J. Walter-Thompson Group. He succeeds Mr. E. L. Marsh who retires from the chair after two years in the office.

Mr. Bengt Koch has been appointed managing director of ATLANTIC CONTAINER LINE. the North Atlantic container shipping line. He succeeds Mr. Buster Hultman, managing director of ACL for the past four years, who is returning to Sweden as acting head of the tiner division Brostrom Group. Mr. Wieger Koornstra has become director, operations, and Mr. Christopher Olsson has been made director, commercial.

manufacture and sell glass reinforced cement products. Mr. J. ber for Personnel.

Brailey has been appointed a consultant to the new company.

Mr. D. W. Haspin

Mr. R. F. D. Sbuffrey is to STOCK, become deputy under secretary of state and principal establish-

and Kings, recently taken over by Mr. Anthony Good and Mr. John Barber, has appointed Mr. Michael D. Oaksey as managing director.

TRENN PRODUCTION SAW-ING has made Mr. D. J. Smith sales director and Mr. T. G. Lloyd financial director.

MARKETING IMPROVE-MENTS has appointed Mr. Pat-rick Forsyth, client services director, and Mr. David M. Laing, divisional director, to he execu-tive directors of the main Board from July 1.

Mr. Peter Murray, of P. and N. E. Murray (Swindon), has been elected chairman of the DOMESTIC HEATING COUN-CIL. He succeeds Mr. Al Mntch of A. H. Mutch.

Mr. Kenneth Cromey has been made a director of FRANK PARKER AND CO., a subsidiary of the Sheffield hased Thos. W. Ward Group. He succeeds Mr. John S. Pullum now managing director of C. Evans and Sons, also aubsidiary of the Thos. W. Ward Group, who continues to he a director of Frank Parker and

Mr. Ronald G. Hughes and Mr. W. Ralph Child bave been appointed to the Beard of MATTHEW CLARK AND SONS.

Mr. Michael J. Webster bas been sppointed a director of ELECO HOLDINGS.

Mr. Leonard Shackleford bas been appointed NATIONAL WESTMINSTER BANKS' chief advances manager, international banking division, based in the City. Since 1979 be has been a senior manager, responsible for the energy, shipping, aerospace and industrial sectors, io the corporate financial services department of the same division.

AIR MARSHAL SIR KEITH WILLIAMSON has been ap-pointed Air Officer Commandingin-Chief RAF Strike Command and Commander-in-Chief UK Air Forces. He takes up his posts io September with the acting rank Mr. R. Clempson and Mr. D. C. of Air Chief Marshal, and suc-Seaman of Crouch Group and ceeds Air Chief Marshal Sir Mr. R. A. Smith and Mr. E. A. David Evans. Taking over from Talbot of C. H. Industrials have Sir Kelth in his present job as been appointed directors of Air Officer Commanding in Chief CODEC (GBC) which has been RAF Support Command oext formed by both companies to mooth is Air Marshal Sir John Gingeil, until recently Air Mem-

> Mr. D. W. Haspineall bas been appointed a director of BRAD-BLUNT

meot officer at the HOME Mr. Hugh Amis has been OFFICE on July 7. He with appointed a corporate finance succeed Mr. Nell Calracross who director, MIDLAND BANK, from

COX AND KINGS FENANCIAL Mr. V. Vohralik, managiog SERVICES, a subsidiary of Cox director of EVODE LIMITED, and Mr. A. A. R. Cobbold, managing director of Evode Roofing and Evode Joint Sealing, have been appointed to the Board of EVODE HOLDINGS LIMITED the parent company of the Evode Group.

ORION BANK has made the following appointments: Mr. R. A. Chamberlain, Mr. J. P. Cook and Mr. Anthony Raikes, have become executive directors. Mr. Frederick Fisher III is made an associate director.

Mr. John A. Fooks, director of GARNAR SCOTBLAIR, has been appointed deputy chairman.

Mr. Eric Green has been appointed director and general manager of GEORGE E. TAYLOR Mr. Ronald G. E. Lewis has been made director and commercial manager.

Dr. Raiph Kay has joined the Board of CAMREX (HOLDINGS) as technical director.

Mr. David Whitford has been appointed marketing director of RACAL RECORDERS.

A member of the Barker Group, CHARLES BARKER RECRUITMENT, states that Mr. Rohin Ward will be joining them on Juoe 16, to take up the new appointment of finance administrative director.

Mr. James A. Redman, director services.

of finance to the Central Electricity Generating Board, is to succeed Mr. Burlon Johnson when he retires as financial adviser to the ELECTRICITY.
COUNCIL. Mr. Redman will
take up his duties in a designate
capacity on October 1.

Mr. M. C. Jelbert has been appointed sales and marketing director of MESSENGERS (BIR-MINGHAM), a member of Pentos Engineering Group.

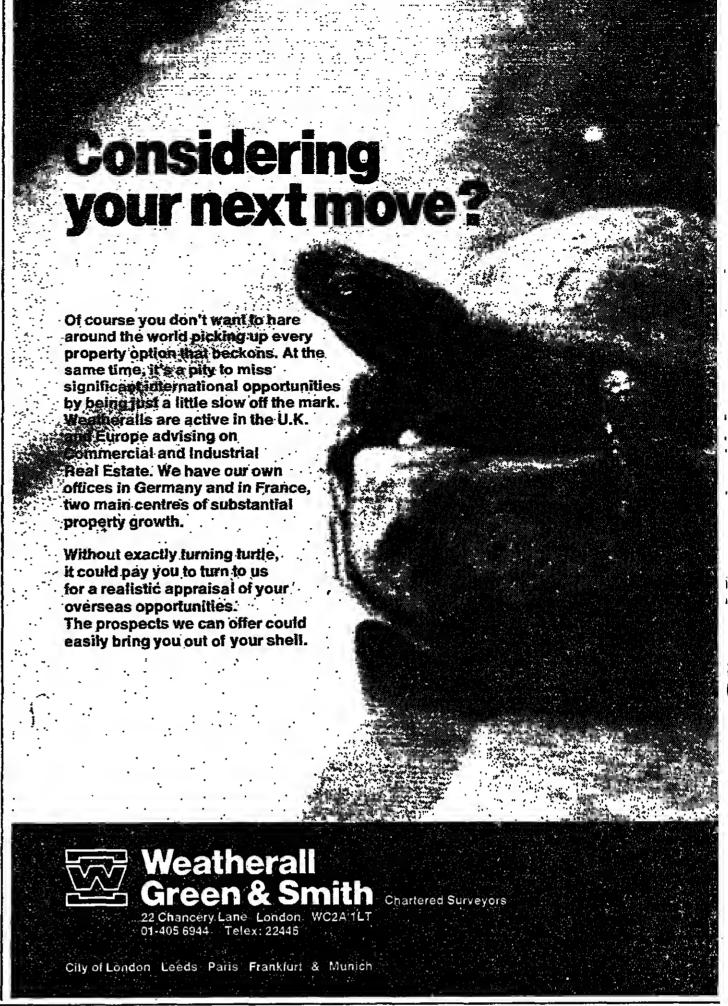
Mr. Peter Ducat has been appointed managing director of SIMPLEX of Cambridge and will take up his appointment on Monday, August 4.

MORGAN GRENFELL states that Mr. R. M. J. Taylor will he taking up an overseas appointment with the group at the eod of the year. He has accordingly resigned as company secretary of Morgan Grenfell Holdings and Morgan Grenfell and Co. and Mr. M. C. Evans has been appointed to succeed him as secretary of both companies. Mr. Nicholas A. Pearec has been appointed a director of MORGAN GRENFELL PROPERTY SERVICES.

Lady Howe has been elected president of the FEDERATION OF PERSONNEL SERVICES, the trade association for Britain's private employment

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17 % Hambros Bank Hill Samuel\$17 5 Keyser Ulimann 17 Knowsley & Co. Ltd. . 19 Langris Trust Ltd. ... 17 Lloyds Bank ... Edward Manson & Co. 18 Bank of Cyprus 17 %
Bank of N.S.W. 17 %
Banque Belge Ltd. ... 17 %
Banque du Rhone et de
la Tamise S.A. 17% Midland Bank Samuel Montagu 17 9 Morgan Grenfell National Westminster . 17 Norwich Geoeral Trust 17 P. S. Refson & Co. ... 17 Schlesinger Limited ... 17 Standard Chartered ... 17 Standard Chartered ... 17 %
Trade Dev. Bank 17 %
Trustee Savings Bank 17 %
Tweotietb Century Bk. 17 %
United Bank of Kuwait 17 %
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Williams & Glyn's 17 %
Wiotrust Sees. Ltd. ... 17 %
Yorkshire Bank 17 % Members of the Accepting Houses Commisse. 7-day deposits 15%, 1-month deposits 15%. 7-day deposits on sums of £10,000 and under 15%, up to £25,000 15½% and over £25,000 15½%.



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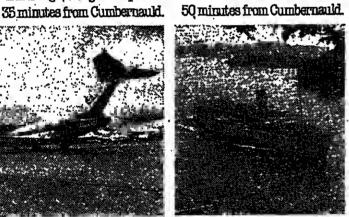
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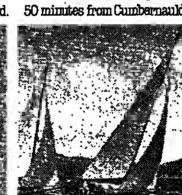


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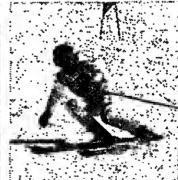




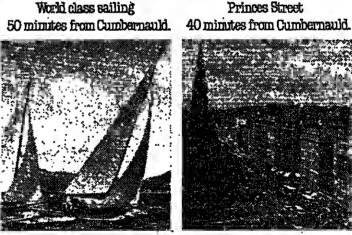
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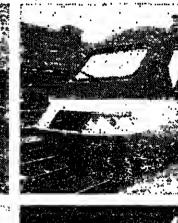
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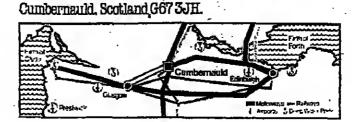
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Cumbernauld Development Corporation, Cumbernauld House,



3assett, Labour Staff

OF the Amalgaon of Engineering esterday said they accept the compro-the Labour Party's tional reforms reached weekend hy the party's mission of Inquiry.

The executive of the AUEW. which wields a block vote at the party conference of almost 900,000, decided unanimously to support the present methods of drawing up the party mani-festo and electing the party leader and to oppose the reselection of MPs.

The decision casts further doubt over the effectiveness of the commission's compromise as a means of settling the party's internal conflicts. The AUEW's vote at last year's conference in favour of mandatory re-selection was a decisive factor in the decision reached then.

Mr. Terry Duffy, AUEW president, and a member of the commission, said after the executive had taken its decision: "It it just impossible for us to stand by the recommendation of the commission."

At last week-end's talks on the reforms, Mr. Duffy voted for an electoral college to elect the party leader, but only after a motion proposed by himself and Mr. Michael Foot, deputy party leader, to maintain the present system was heavily defeated.

Mr. Duffy said yesterday that in spite of his vote for an electoral college, he had told the commisssion that the AUEW's block vote would be cast for the present systems.

He said, too, that the union was considering the party's appeal for greater trade union contributions to its funds. The unions had no hottomless pit of money, and the party would have to make itself more efficient to justify it.

Missiles 'a sombre necessity'

NCB targets can be met—Howell

cient competitive production," in an irreversible and early

Nothing could be further £590m if this proved to be from the truth than to say that necessary.

THE FIRST of the 160 Cruise arms control negotiations with vehicles to dispersed sites away remarked that it did not matter nuclear missiles to he deployed in Britain will be stationed at Greenham Common in Berkshire hy the end of the 1983, Mr. Francis Pym, Defence Secretary, tol dthe Commons yes-

Six flights, comprising 96 mis-siles, will be housed in purposebuilt shelters at the U.S. Air Force standby base there.

The rest of the missiles will he deployed at RAF Molesworth. a disused airfield near Hunting-

The Government's decision part of e £16m contribution to the modernisation of NATO's defences—roused protests from some Lahour MPs, but was more widely accepted as "a sombre

Mr. William Rodgers, Labour's Defence spokesman, said that the move was hound to cause

He demanded - and was given - assurances that the Government would make every effort in the three years' "breathing space" to resume

the Government to ensure that

the National Coal Board hreaks

even by 1983-84 may not be

easy to meet but can be

attained, Mr. David Howell, the

Energy Secretary, told the

He was moving the second reading of the Coal Industry

Bill, which provides for the

tepering-off of the operating

grants now received by the

Mr. Howell argued that

Lahour criticism of the Bill was

hased on too pessimistic a view

of the coal industry's future.

now has the opportunity to

secure for itself a prosperous

and good future hased on new

"We helleve that the industry

Commons last night.

the Soviet Union.
Mr. Pym said that the Government remained fully committed tions, access to training areas to genuine arms negotiations.
"Most certainly if there was a change of heart on the other

side of the Iron Curtain, then we would talk," he said. But he warned that the Warsaw Pact had four times as many land-based long range missiles as the NATO countries. New Soviet SS20 missiles, which carried three warheads,

could be preindiced by too great of radio-active leakages or a gap hetween one side and the other accidents-other," he said. Such a gap The U.S. woul weakened NATO's negotiating for the security of the bases, hut 220 British personnel would Mr. Pym also assured Mr.

necessary from time to time to ernment move.

FINANCIAL TARGETS set by market opportunities and effi- the coal industry in Britain was.

But the Minister failed to re-

assure the Opposition henches

and Dr. David Owen, Shadow

Energy Minister, warned that

the Government's policy might

result in the NCB facing the

same problems encountered hy

Britain's coal industry was in e

stronger position than any of

its competitors in Europe, and

claimed that the Government

was giving it full scope to take

edvantage of the new oppor-

for it in the future.

tunities which would open up

Mr. Howell contended that

the British Steel Corporation,

which carried three warheads, in purpose-built shelters under were now coming into service stringent safety standards, Mr. at the rate of one a week. Pym told MPs. He was confi-"Arms control negotiations dent that there would be no risk The U.S. would be responsible

from the two hases.

Adequate road communica-

and dispersal areas had been

prime factors in the choice of

Greenham Common and Moles-

will be carried on exercises at

any time and no missile test-flying will take place in this.

The missiles would be stored

country," he said.

No live missiles or warheads

assist in the guard forces. Rodgers and other MPs that Tory MPs, Mr. Michael no missiles would be fired McNair-Wilson (Newbury) and except by a joint decision of Mr. John Major (Huntingdon) the U.S. and British Govern- representing the constituencies where the missiles are to he Mr. Pym said that it would he deployed, supported the Gov-

practise the deployment of the But Labour Left-winger, Mr. launcher and its support Frank Allaun, (Salford East)

The Bill would help to

the old and would continue

support for capital spending hy

Mr. Howell described the 1983-84 break-even date as e

In the interval, the Govern-

port the NCB through the pay-

1982-1983 the Bill permitted the

payment of operating garnts up

to a total of £525m and made

provision for an increase to

Over the four-year period to

would continue to sup-

firm financial objective.

ment of operating grants.

a new industry out of

where the missiles were based.
"In a time of tension they would be widely dispersed and the enemy would destroy the whole of Britain as a launching pad for these American mis siles, if we were spicidal enough to oppose them," he declared.

That is abject aurrender," Mr. Pym retorted. Dismissing more Labour pleas for unilateral disarmament, he added: believe the very great majority of people in this country are very supportive of the defence

The NATO alliance had offered to withdraw 1,000 nuclear warheads when it decided on its modernisation programme, he said.

"That process has begon." But he reitersted that NATO had to maintain exceptional vigilance in a period of world instability.

The decision to modernise its nuclear missiles had been taken for the continuing security of the whole alliance, and Britain was determined to play its full

But Mr. Mowell emphasised

that it was essential that as the

board moved towards profit-

ability that the operating grants

should taper off year by year.

In 1980-1981, operating grants

would total £135m, declining to £109m in 1981-1982 and to

£28m in 1982-1983. All these

figures were calculated on the

Dr. Owen protested that the

financial targets laid down hy

the Government were nego-

tiated with the NCB in August

No account was taken hy the

Bill of the events which had

occurred since and which made it extremely doubtful that the

NCB would be able to live

within the targets set.

hasis of 1978-1979 prices,

Laker convinces Nott over air route

LOWER FARES hold the key to nerating sufficient traffic for four airlines to operate on an economic hasis on the London to Hong Kong route, Mr. John Nott, the Trade Secretary, maintained in the Commons yester-

He denied that he had made "political decision" in overruling the Civil Aviation Authority by permitting Laker Airways and the Hong Konghased Cathay Pacific to compete for traffic on the route along with British Airways and British Caledonian.

Mr. Nott argued that he had acted in a "quasi-indicial" He declared: "In particular.

I was convinced by Sir Freddy Laker's contention that there is a large untapped market for this route if fares are pitched at the right level."

Mr. John Smith, Labour's Trade described decision as "extraordinary and surprising" and recalled that the CAA had made It clear that it believed that too many carriers on the London/Hong Kong route would have a damaging effect and result in the public not getting a proper

He stressed that in reaching contrary decision Mr. Nott had acted on the same evidence as that considered by the CAA; and asserted that this must



John Nott: no political decision

bave the effect of undermining confidence in the authority's

Mr. Nott insisted that he had acted in accordance with his statutory responsibilities, and had not taken e political or arhitrary decision. "I quite accept that this

decision is not going to please all the airlin operators, but I helieve it is going to please all the airline passengers." he said. Tory hackhenchers as well as Labour MPs expressed concard about the effect of the decision on British Caledonian.

Mr. Anthony Grant (C, Harrow Central) asked if the Minister was satisfied that with four operators on the route there would not he "cutthroat" competition leading to had

practices and financial failure. Mr. Nott, who emphasised that he hoped British Caledonlan would not withdraw from the route, pointed out that he was not making any judgment about the timing and

frequency of services.

This was something for the sperators themselves to decide. "I helieve that all four carriers should be able to operate profitably on this route, but in the end it will he the market which will decide."

MPs seek to save Consett

By Alan Pike

A GROUP of Labour MPs is seeking a meeting with Mr. Ian MacGregor, who becomes chairman of the British Steel Corporation next month, to urge him to reconsider the proposed closure of the Consett works. closure of the Consett works. County Durham.

Almost 50 members yesterday signed a Commons motion describing the proposed closure of Consett as a "betrayal." BSC announced last week that

the plant is to close by the end of September, with the loss of 3,700 jobs in what is already an area of high unemployment.

Mr. David Watkins, Labour MP for Consett, said that the closure would be catastrophic for the area.

for the area.

"This decision cannot be accepted without a fight." BSC had so far produced "only the most specious of arguments of for closure and nothing definite should be decided until the new chairman took over.

The hoard of Lonrho, which owns the private steel company Hadfield's, is expected to consider on Friday whether to ment which it has been suggested might recreate 2,000 jobs at the corporation's Shotton plant in North Wales. About 7,000 jobs are to go with the ending of steelmaking there.

PM renews pledge to keep down public wage claims

BY JOHN HUNT, PARLIAMENTARY CORRESPONDENT

RENEWED warning was sector, which was trying given in the Commons yester-creat day by the Prime Minister that them wage claims in the public sector must come down in the next

round of hargaining.

Prime - Minister's question time was again enlivened by a clash hetween Mrs. Thatcher and Mr. James Callaghan, the onomic situation.

Mr. Callaghan claimed that the Government was cutting the. joh opportunities programme will have to consider rutare ;
for young people in spite of claims very carefully if the
forecasts of even higher youth to get pay claims down in unemployment.

view to the CAA and allowing benchers, denied the charge and the appeals made against its decision by Laker and Cathay simply advocating a made against its said that Mr. Callaghan was pacific. But the Prime Minister,

The question of public sector pay was raised by Mr. John Stokes (C., Halesowen and Stourbridge), who said that in the Government would need to
Secretary, pay market prices and should
not be afraid of the should heads of nationalised industries

> "Don't pay attention to the egalitarians who want everyone paid the same amount," he

The Prime Minister told him that she had received the report of the Top Salaries Review Body on the chairmen of nationalised industries and other top jobs: But it had not yet been referred to the Cahinet.

We cannot go on having the hig public sector wage awards that we have had in the past. especially et a time when production is flat," she emphasised. "The only way to pay for increased wages is through increased output."

Hereford), argued that those employed in the Civil Service and public sector generally, should not he entitled to eutoshould not be entitled to euto no longer open matic compensation for every "That is true today as well," point increase in inflation. she commented. "What you

some relation to what the more money, and that would country could afford.

create the wealth to supply Mrs. Thatcher agree

the standard of living of the public sector dependent on the datput of

marketing sector "There is no way of sel away from that," she miss "At a time when there is: little increased sutput able, then the public sector t will have to consider future to

Mr. Callaghan said that Manpower Services Comm predicted the number of a employed school leavers in employed action, as a sign of the control of the co

Support

As the Prime Minister in said that she did not intend printing money to allevizte the position, he wanted to transi what she did intend doing about

There were shouts of suppe from the Labour beaches as Mr. Callaghan told jeering Con-servatives: The country would sooner have me for Prime Minister than the Right Honourable Lady

"Modesty was pever one of your more obvious charac-teristics." She maintained that the Employment Secretary had an adequate youth opportunities, programme, and in Scotland an

additional 6,500 places were being provided. She reminded Mr. Callaghan Mr. Colin Shepherd (C., that he had once said that people used to think you could just spend your way out of a recession, hut that option was

Wages and salaries must bear . are asking us to do is to print only produce higher inflation He suggested that Civil Ser followed by higher normally vants who did not like this ment. That has been the situation should join the private history of the last 20 years.

Carrington failure in anti-Games bid

A MAJOR effort by Lord Car- after the Foreign Office had to discourage British sportsmen

During the afternoon he had: met two groups of the heads of British sports federations to set the Government's campaign to boycott the Olympics "on the

higger scene."

But last night he told TIN:
"I think I've shot hy bolt. I hope it will have some effect." And he told another interviewer: "I am not convinced I am going to he successful but I am convinced I am right." While Lord Carrington hoped

that he would cause some of the federations to reflect on their positions, Sir Denis Follows, chairman of the British Olympics Association, said on leaving the Foreign Office: "L donht whether the governing hodies will change their decisions."

He said that he had told Lord Carrington that sportsment resented being subjected to ressure. He added: "As far as I am

concerned we did not hear any-

The sportsmen described the meetings as cordial and decision friendly. They came shortly Olympics

to Moscow the problems they from taking part in next could face by calling in Mr. month's Moscow Olympics Nikolai Lunkov, the Soviet appeared last night to have Amhassador to protest at the Amhassador, to protest at the harassment of about 10 British citizens between November 14 last year and May 2 this year. The mood of most of the heads of the dozen sporting

rederations who had listened to him was determined. "Everyone said how much they resented competitors being harassed by the press and others," commented Mrs. Eileen Gray, president of the British Cycling Federation.

Mr. Norman Sarsfield, head
of the swimming federation.

were front-line troops in Government exercise but new we realise we are only part of Government pressure?

But the more general coment was that Lord Carrings had failed to convince wisitors that other serious measures had been taken by the Government against the Soviet

"Athletes" attitudes had hardened in favour of going Moscow," one official said. Mr. Denis Giuseppi, head However, he did say that, if the Netional Smallbore Ri the federations had been con-sulted far earlier, they might federation would be meet have taken a different view. later this week to const later this week to consid whether to stand by its original decision to boycott. the

Further call to review secrets disclosure rules

THE WORKINGS of the D-Notice system—the voluntary rules covering media disclosure of defence secrets should be reviewed, but there should he no major moves towards publishing more information about the system itself, MPs were told yesterday. Rear Admiral William Ash,

secretary of the Defence, Press and Broadcasting Committee which controls the controversial system, told the Commons Defence Committee that "the time has come for the original D-Notice scheme to he looked at

again."
However, he rejected two proposals which would open up the system to more public scrutiny: publication of the D-Notices themselves and the publication of an annual report on the

The committee is examining the system for the first time. At sider on Friday whether to the moment, D.Notices, which offer BSC a partnership arrange are issued to advise editors and hroadcasters of national defence subjects, cover 12 sub-

MPs questions said that of the system

although publication of Notices would remove some the mystery surrounding the argument for not publishing to notices because they contain "some elements of confidential information."

He also rejected suggestions that an annual report should be published on the system because of the "unique nature" of the committee's work.

Rear Amiral Ash told the MPs that during his six months as secretary of the committee had only received 30 inquiries. from editors for guidence show whet could be published. The questions covered the transpor of nuclear material, factor making weapons and Gov ment plans for civil defence

One development which t Rear Admiral accepted might desirable would be the use more extensive introduction each D-Notice as backgro guidance for editors

Last week, Sir Frank Coop jects, but the notices are not Permanent Under Secretary the Ministry of Defence Rear Admiral Ash, answering accepted the need for a

SOME GOOD FORA CHANGE.

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BUSINESS PROBLEM BY OUR LEGAL STAFF

Rebuilding

clause

I have been established for 42 years at my business in London to make a huge calculated gamble to secure the future of extended next door and took over six offices above me. In my original lease which is now your share use no six-month expiring there was no six-month rebuilding or refurbishment is whole recovery plan cover-clause, which the landlords are lng 14 plants. And the risks insisting on inserting in the new lease. In the premises next door and the offices which were assigned to me there is a sixmonth rebuilding clause when I took them over. Now all the eases are up for renewal, and I am resisting the landlords' mands for a six-month rebuilding clause being inserted in the lease of my original premises, as there was not one when I went into the premises 42 years ago. The landlords intend putting forward the case of Adams v. Green if the matter roes to court. How, please, do you see the position?

Adams v. Green is indeed an authority which would help the likely to reintroduce the deed the full transcript of the front of its trucks. judgments in the Court of them than the judgment reported in the Estates Gazette. However, there is a judgment now awaited in the Court of land is to keep up with its Appeal in the case of O'May o. CLRP which is likely to have a strong bearing on the position, and we think that your position cannot be fully assessed until that judgment is delivered in of Albion's greatest assets, can the Court of Appeal. If you do he carried over from comallow, or have to accept, the re- pleted trucks to components. It huilding break clause, your new rent should be lower. In any event, you can probably resist the "refurbishment" element. You must ensure that you make your application to the court for your new lease within the statutory limit of four months from service on you of the Section 25 notice to terminate your existing tenancy in any event; unless you have concluded a contract for a new lease with your landlord.

No legal responsibility can be accepted by the Financial Times for the answers given to these columns, All inquiries will be answered by

Leyland gears up for a commercial gamble

Ray Perman examines Leyland Vehicles' plan for the transformation of its two Scottish plants

LEYLAND VEHICLES is about markets might do as his higgest being spent hy the company oo are prodigious.

In essence the plan proposes complete transformation of Albico Motors, Glasgow, one of the oldest and most respected names in commercial vehicles. From early next year the plant would end its 60-year history of lorry building to become instead the gearbox and hack axle centre for the whole of BL's commercial vehicles arm.

The successful range medium weight trucks Albion now produces, the Clydesdale, Reiver and Chieftain, would be assembled at Bathgate. West Lothian, a plant that until recently was notorious for its poor production record.

Ironically, the transfer would begin later this year at about

Ian McKingon, general mana-Appeal is even more helpful to ger of the medium/light division which the two plaots comprise, acknowledges that the proposals are drastic, but argues that they are essential if Leycompetitors, particularly from Europe, and if Albion and Bathgate are to survive.

But the risks are there. Ley-land is gambling that the pride in achievement, which is one is gambling that the recent hig improvement in Bathgate's industrial relations and produc-tivity can be sustained. Andthe higgest gamble of all-that the present slump in the commercial vehicles markets will prove temporary so that Scotland can produce and sell the increased numbers of vehicles necessary to pay back the very large investments now being

Already, before the plan bas really begun to be put into effect, a fall in demand bas forced 750 redundancies and the closure of the division headquartets in Edinburgh, opened only two years ago. McKinnon

worry. Leyland expects the UK demand for commercial vehicles to fall by 13 per ceot this year and the strong pound has hit export competitiveness, essential in an operation which sells half its output abroad.

Albion and Bathgate are two very different plants, brought together by the Leyland merger with the British Motor Corpora-

The Glasgow factory, Scotstoun on the Clyde, began building cars in 1899 and made its first truck during the first world war. Despite its cramped site and old hnildings it is one of the most efficient plants in Leyland Vehicles and has an industrial relations record that is second to none: "We do have strikes," says Roy Dale, the plant director, smiling wryly, "the last one was 30 years

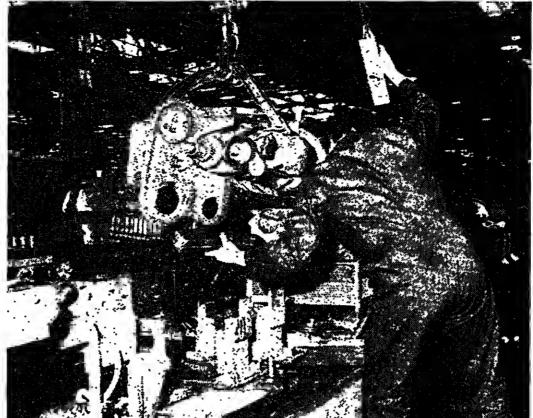
The total of days lost through

disputes in 1979 was zero, while productivity increased by 10 per cent (and has risen again by the same amount in the first half of 1980). working tradition at Albion, handed on literally from father to son, has ensured an attitude towards quality and reliability that was enshrined in the motto under the sunrise hadge that used to grace Albion lorries: as sure as the sun rises."

Why tinker with a plant that runs so smoothly? Dale's answer is that while Albion's record may he exceptional in pared with Continental Japanese manufacturers. must continue to increase productivity and that means increasing volumes. It does not have the space or the facilities to assemble more chassis: therefore it must switch to products which it can make effi-

Removing assembly from chassis assembly. Albion will also mean cost savings, by cutting down the facts logically and truthfully to stant mesh box at present made present criss-crossing of compeople, they will receive them at Alblon, is seen as a threat ponents hetween plants.

Negotiations with trade Dale shows a surprising confidence that be will win agree-Bathgate was first put forward have found somewhere else to in 1977, when Leyland had make their axles and gearplans to develop its own syn- boxes quarters in Edinburgh, opened chromesh gearbox. The unions The Alblon works committee, preferred to have gone to the were literally dozens of small just re-organising the plant, so numbers. That is the fooly two years ago. McKingon fought the transfer with a pub- however, has yet to be con- Midlands if the Government bad groups of workers in the plant that re-organising the plant, so numbers. That is the counts the fear of what the lic campaign hefore finally vinced. The stewards do not not stood in its way. It was on different grades competing process will follow on logically it believes it can win.



Engine assembly at Bathgate, where shop stewards have pledged themselves to stamp out wildcat strikes

bound to mean redundancies end of the day.

people, they will receive them at Alhlon, is seen as a threat logically. Retaining chassis rather than a saviour. assembly at Albion means hang. But Albion even wi unions are to start shortly and lng on to a dying product and over the next five or six years it is anybody's guess bow much ment. The proposal to transfer demand there will be for it. If lorry building from Alhion to we wait that long Leyland will

conceding. But the idea was regard the 1977 agreement as Isid out more like a car plant shelved when Leyland aban- settling the matter and want to than a truck factory, with an doned its gearbox programme, see it negotiated again. This assembly line designed for only to be revived now follow- time the emotional aspect—the relatively quick production of the licensing agreement continuation of the plant's win backing from the shop straight headcount of how shale oil or coal miners who stewards, even though it is many jobs will be left at the adapted only slowly to the pres-

The ZF gearbox, which can he made with half the labour "I helleve that if you put the needed for the 40-year-old con-

> But Albion even with union Corporation, which would have

light vans and lorrles. In an with the West German group association with truck huilding area of high unemployment, it ZF. Dale believes he will again —is less important than a drew its workforce from former sures of modern manufacturing, making the factory less oppres-

To succeed properly, Bathgate sive to work in. needed continuous production. but for much of its short life it has not been able to achieve gest in Europe or merely one it. Old habits have dled hard, of the biggest, but it is massive. After four days at the coal face or in the shale pit a man felt painted a nniform drab green consent, is only baif the equa- entitled to take a day off and different plant with a very him that he could not do the different history. Unlike same thing in a motor factory, tooned from the gantries into different history. Unlike same thing in a motor factory, tooned from the gantries into Albion, its traditions are short. Not only was Bathgate built creeper, you can see why it is a car factory, but it deshown as "the jungle." All the industrial relations that is to be changed. Batbgate is a very it took a long time to persuade shop floor only after forcing its of one. By the late 1970s there

stewards were unable to justify. It looked at the time to be a disaster, but it has proved since to have been a turning point. Something clearly had to be

In the last 1g months a team of management consultants has been uoravelling the tangle of wage rates and grades, reducing 28 grades to seven. An appeala committee, comprised of 15 shop stewards and four management representatives, has dealt with each individual grievance and the senior stewards have pledged themselves to stamp out wildcat atrikes. It is too soon to call Bathgate a disputefree plant, but the improvement in the working atmosphere is

McKinnon is convinced that Bathgate is set for its calmest period for years.

Management too has had ita failings—failing to give the shop-floor a straightforward product to build, or the right materials and equipment to build it. While the unions have been trying to tidy up the industrial relations structure of the plant, management has been trying to solve its problems. More than £2.5m has been spent raising quality, so that in 1979 quality and delivery were improved sufficiently for 200 distributors to say that they had noticed the difference.

Tony Jordan, plant director at Bathgate, has been encouraging visits hy customers, to try to foster some mutual respect and understanding between the buyer and the sbop floor.

Part of the £125m being spent at Bathgate will go towards No-one is really sure whether the B block machine room is the hig-With each of its 2,000 machines and the sunlight reaching the

Some £750.000 is being spent

with each other for wage rates. from the last rather than hav-Unofficial walkouts became ing half completed components commonplace, culminating in sbuttling back and forth be1978 in a seven-week strike of tween blocks. And there will machinists that even their shop he oew machines and equipment trolled.

McKinnon and Jordan place

great emphasis on building up pride in the plaot, which until receotly had very little to he proud of. They have heen atressing its recent achievehistory and believe they can see the result in improved morale. The ecormous amount of good publicity from the launch of Leyland's Lancashire-built T45 roadtrain—a range of heavy lorries that has nothing to do generated noticeable enthusiasm

at Bathgate. McKinnon is looking for a bigger boost from the big pub-licity campaign planned for the autumn to push the "G" cab range made at Bathgate and Albion. It will be the first occasion for the plants to judge the effectiveness of Leyland Vehicles' new centralised marketing team headed by Frank Andrews, himself a former head of medium/light division. "We would he silly to say that we have stopped our manufacturing problems altogether, but we are definitely in a position now where we can stop looking inwards all the time and look outwards to make more and sell more," says McKinnon. Looking outwards means

carrying through the transfer of chassis assembly from Albion and the introduction of new models. The first, the T68, a bonoeted truck intended for export markets, will come at the end of this year. A new light truck/panel van is planned to replace the present EA model, a hasic box on wheels much used by the Post Office, and the FG, the delivery van much loved by bread manufacturers,

Further into the future the new trucks that will be derived from the T45. Most of the planned invest-ment will pay for the introduc-

tion of these new models, on and indirectly of Alhlon since it will be supplying their axles gearboxes - ultimately and depends. To pay back the cost they will have to be made and sold in greatly increased numbers. That is the gamble Leyland is making, and the one

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more visible

BY RAYMOND HUGHES

actively considering a proposal that would result in fewer High reforms, that in the interests of Court cases being heard in consistency, uniformity, etc., private is welcome. Anything cx partes in the Chancery that leads to more open justice Division, which have always can only be of benefit, not only been heard in public, should be because it will add substance to conceoled behind "Court in can only be of benefit, not only because it will add substance to tha axiom that justice should Chambers" notices. be seen to be done but also The reason give because it will be on indication opening up Queen's Bench ex that those responsible for the partes to Press and public is administration of the courts are thot to do so would be to give ao sensitive to the need for more unfair propaganda advantage to openness in society as a whole. the applicant at a time when his

Scrutiny

We may not have a Freedom of Information Act; D Notices and recent court rulings may still make it possible for govern ment departments and nationolised industries to conduct their affoirs largely free from impertinent press scrutiny; but at least it seems that in future we can hope to impertinent he properly and adequately informed about most of the more significant court cases,

public interest. The proposal is that applica-tions in the Queen's Bench Division for temporary injunctions pending full trial of on action would be heard in public when hoth sides to the dispute are present.

many of which ore of genuine

Under the existing procedure the Press is obliged to lobby the parties after the event, hoping that one-or preferably both-will be prepared to talk. As It is not uncommon for one side to be more forthcoming than the other, it is difficult for newspopers to publish fair and con hear the evidence and orguments for itself.

—call it what you will—is opponent. It may be days before tempting the court odministra the defendant's case is aired. tors to take away with one hand while giving with the other.

ex porte applications, in which and symetry, will prevoil when one party to a dispute con get the final decision is made on limited period, in the absence, would be a pity if the Lord and without the knowledge, of Chancellor's Department were

The proposol is that such Queen's Bench ex partes should enough, it appears that there is realistic.

THE NEWS that the Lord a feeling not only in the Lord Chancellor's Department is Chancellor's department, but aloo among some of those urging

> The reason given for not opposent might not even know that lagal action bad been

Such a nice concern for the wellbeing of defendants does not seem to have operated in the minds of those who have chosen to keep Chancery ex portes in open court since time immemorial; oor, it should be said, is there any cvidence that defendants in Chancery have lost, or those in Queen's Bench gained, from the contradictory procedures.

Quit apart from that the reason does not hear close examination when seen io the context of the litigotion as a whole and the way in which cases are reported. As soon as o case becomes inter-portes. which is likely to be within a few days of an ex porte application, when it comes on for the full trial of the oction, ond when it goes to appeat, it will be in open court.

Aesthetic

At the first two of these stages ot least the plaintiff gets the initial advantage, if advantages there be, of oublicity: his counbolanced reports. Such a prob-lem need not arise if the Press sel opens the facts of the case. more or less non-contentiously and more or less aware of tth There are, however, indications that a desire for consistency, uniformity, symmetry come before those of his come before the come befor

It is to he hoped that these considerations, rathec than The area of concern is that of those of conststency, uniformity on emergency order, for a very this aspect of court reform. It to lose some of the credit it will goln from a decision to open up some courts by closing others. continue to be dealt with in for reasons that are more private. As if that were not bad aesthetic than practical or

The charms of thyme, at first sight, are the flowers and the colours of the leaves. During without any false trace of thymes have crept on to the market and have not yet market and have not yet market and have not yet superb in the warmec garden of any Continental reader who hoppens to like this column and ocok's dream of a leaf. Fac too is no point to telling you that This year, I am on the lookout for smaller plants of distinction with which to match these old flowers. I will begin with two mystery myhrids, whose leaf and colour of flower are the matco amazing white and violet-blue for any variety. Nobody seems sure of their parentage. They were born, it seems, on the wrong side of the beebive. forms of the horned viola called cornuta. This easy plant lights Nurserymen should force them on to loe chaio storea' lists. Doone Valley is a small thyma

but has leaves of the most heilliant colouc all tha yeor round. I peefer the clear white form, They are more a golden yellow than green, so bright that they the most remarkable value in ony plant I know. It flowers from June till September. stand ont on any slope or among neighbours as well flowered as hardy pinks. Each bush is about 6 inches high but spreads thymes. These are the great soft sell among plants. Every-body believes that they are widely. They are first class folioge plants, but the flowers delicious, good for the food and worth smelling. Personatly, 1 only catch the scent when 1 tread on a plont as the leaves have to be hruised to be aroare also pcetty lovendec in coloor from dark reddish buds in a style which does not ouarrel with the golden leaf. I have lost it in one site, while growing it happily in another for five years. Before explain-ing why, I will alert you to a motic. Scented gardens in novels beguile their readers partner of similar cose.

Thyme Porlock is an equally uncertain hybrid and cannot

GARDENS TODAY

Small flowers of distinction

BY ROBIN LANE FOX

The case of these thymes was understood long ago by the herbalists who thought that the

whooping cough to gamblers' fever. Sicknesses all took thyme, they used to say, and they also believed the plant was a sympathetic pair to common lavendec, thriving best next door to it. The sympathy, of plants' common taste for a very sharply dcained soil where they would never suffer from beavy ground in a wet winter. Neither thyme noc lavender likes a rich

Thyme is ot its best beside

few of you grow it. It spreads to dig in some gravel when you easily for Christmas presents. plant it as an edging. You can multiply it endlessly from cuttings takan next month off shoots which bave not yet flowered. They root so quickly future with us, that you should never huy more The many fo family cured anything from than one plant of any variety. Usually you can pull some rooted pieces straight off their

> Other thymes are a challenge to the ambitious, especially to those with a dry European garden. The most spectacular is a Spanish one called membranneeus, which makes a low and rounded bush. It is

Far less bothersome is a fina Greek one, the "white-haired" thyme called leucotrichus. The heads of flower are a purple pink and are borne in thick clusters above the white hair on the edges of the thin leaves and twiggy stems. The plant is not much higher than a mat, but as yet it seems quite hardy and is reliable in a dry English corner. It is not yet a common plant, but you should snap it up wherever you see it as it has a

The many forms of lemon-scented thyme are more fami-liar. Most gardeners, indeed, go straight for Silver Queen on name alone. This is the best thyme for edging a dry bed bed where it will spread into a mat of grew-green, and silver-cream of grey-green and silver-cream leaves at a height hi six inches or so. I have seen it used on the grand scale down the central

EVERYBODY KNOWS the big boarder plants of high summer. It is boarder plants of high summer. It is boarder plants of high summer. It is boarder plants and the rest, and there is no point to religing you that is no point to religing you that the flowers and the sight, are the flowers and the sight, are the flowers and the sight, are the flowers and the sight are the flowers are the sight are the flowers and the sight are the

For scent alone, the strongest of all are to be found on These varieties are sold as thyme herba-baroni, a low growing and wiry form which is easy in any dry garden. Beth Chatto of Elmstead Market, Colchester, Essex will sell you a selected lemon scented and carraway-scented form, each of which is exceptionally sweet. The common forms of Europe's ordinary thymes are usually sold to cooks under the blanker beading of herbs. This Corsican brand has the better of them.

As front line plants among roses or day lilles, these various thymes are not often given their heads. They combine leaf, scent and flower while remaining evergreen. The best forms, as usual, are far, better than those which everymen knows a those which everyone knows, a constant plea in this column. Easily multiplied and always flow and rounded bush. It is path of a cottage garden which Easily multiplied and always covered in plak flowers which combined it with the bright hidy a few of these plants will are backed by marvellous bracts of a paper-white. I write with hardy Cranes bill, or Geranium, man that he has thyme to spare.

Cairn Rouge for Coronation

at Royal Ascot this week, can prove by a wi nin today's Coro-nation Stakes that thece was no fluke about her 1,000 Guineas success at the Curragh. Tony Murray could hardly have bad on easier cide in the £50,000 Goffs Event, Cairn

you ought to be growing roses.

favourites, a frame of more

quality for a picture which in places can be predictable.

Violas have long been one of

my favourites, above all the

up my whole garden and

dominates the roses. Buy one

if you can and you will soon

be able to splin in into a 100.

Meanwhile, my attention is

being drawn to the family of

with bonks of thyme as lawns

and walks, but the smell would

never hit you if you walked into

their imaginary world, expecting

RACING

BY DOMINIC WIGAN

Ronge crulsed into the lead of the Currogh approaching the distance and needed just onehalf-heorted slop down the telling burst of speed which Lillie and the subsequent passages when third in

CAIRN ROUGE, one of 28 French Oaks winner, Mrs. bunched finish to York's Irish-trained runners in ortion Penny. Norwest Holst Trophy.

Described os the easiest classic winner he had partnered oc ridden against by Murray after the Curragh success, Cairn Rouge could certolnly have won by a wider margain hod it been desired. Bearing that in mind, it will come as o disappointment if the Pitcairn hay who is hred to act well n yielding ground cannot account for hec opponents. I expect to see her fol-lowed in by Our Home,

Michael Stoute, who so nearly achieved his first 1,000 Gulneas success in Britoin with Our Home, could have better luck with Hard Fought in the Jersey Stakes. This tough Hobitat colt, who is sure to appreciate shoulder from Murray, former further rain according to his stoble jockey to Ryan Price and trainer ran a number of good Charles Millbank, to produce a roces last season and returned to winning form recently after carried hec ahead of Millingdale not getting the easiest of

France is rorely represented in the Queen Mary Stakes for two-year-old fillies and it will be fascinating to see how the Jobn Fellows-trained Ancient Regime, a daughter of the

brilliantly fast Caterina, fares

the bome-trained

against

runners. In a wide open race for the Royal Hunt Cnp, I shall be pinning my bopes on Smartset, George Ward's Martinmoss colt, the winner of the 1979 William Hill Cambridgeshire, ran o fine race when placed in the Hunt Cnp last year and is onother

no problems. ROYAL ASCOT 2.30—Rard Fongbtee

3.05—Stats Emmar***
3.45—Smartset

whom the rain will present

4.20—Cairn Rouge 4.55—Toondra

5.30-Tolstoy

+ lodicates programme io black and white

BBC 1

6.40-7.55 am Open University (Ultro high frequency only). 9.35 For Schools, Colleges, 11.25 You and Me. 12.05 pm For Schools, Colleges, 1.30 Heads and Schools, Colleese, 4.13 Regional News for England (except London), 4.13 Play School (as BEC 2 11.00 am), 4.40 The Revord Breokers, 5.05 John 11.40 Weather/Regional News.

Newsround. Craven's Huntingtower. . 5.40 News. 5.55 Nationwide (London and

South East only).

9.30 Party Political Broodcast

6.55 International Match of the

by the Conservative Party.

All Regions as BBC 1 except as follows:—

Scotland-1.25-1.30 pm The

lreland.

6.40-7.55 am Open University.

7.20 Mid-evening News. Paiotings.

Cymru/Wales-5.55 pm Wales Today, 6.20 Tom and Jerry, 6.25-6.55 Heddiw. 11.40 News and Weather for Wales.

Scottish News, 5.53-6.20 Report-ing Scotland. 11.40 News and Weather for Scotland.

Eogland—5.55-6.20 pm Look East (Norwich); Look North (Leeds, Newcostle); Look North West (Manchester); Midlands Today (Birminghom); Points West (Bristol); South Today (Southampton); Spotligbt

10.20 Gharbar. 11.00 Play School.

R.10 Dance Month. 8.50 Midweek Movie: "Like Normal People."

10.25 Royal Ascet highlights.

11.35 Open University.

(1.55 Barney Coogle and Snuffy Smith, 12.00 Cloppa Castle, 12.10 pm Rainbow, 12.30 Camera;

plns FT Index. 120 Thames News. 1.30 Crown Court. 2.00 Live Fcom Two. 2.45 Fantasy Island. 3.45 Square One. 4.15 The Walt Disney Classic, 4.25 European Football Champlon-

6.45 News. 7.00 Thames News.

by the Conservative Party. 10.05 News. 10.35 Shelley.

with Ivor Mills.

All IBA Regions as London except at the following times:—

1.00 pm Atrilo News. 2.45 Charlia and Julis. 7.00 About Anglia. 11.50 Polica Surgeon. 12.20 am The arg ATV

1.20 pm ATJ Newsdask. 7.00 ATV Today. instading Police Five. 11.50 ATV Newsdask.

BORDER

CHANNEL

1.20 pm Channel Lunchtime News, 17har's Co. 17har's and Weather. 7.00 Report at Sevan. 10.00 Vision USA, 10.33 Channel Late News and Weather. 11.50 Police Surgaon. 12.15 am News and Weather in Franch, followed by Entitode.

GRAMPIAN

V/cather Forecasi. 7.25 Police News 11.50 Reflections. 11.55 Barney Miller. 12.25 act North Headlines. GRANADA

11.50 am Cartoan, 1.20 per Granada Reports, 2.45 Family, 3.45 The Amezing World of Kreskin, 7.00 Granada Reports, 11.50 The Odd Couple, HTV

1.20 pm Report West Needlines. 2.45 The Love 2ost. 7.00 Report West. 11.55 The Londan Programme: The 11.55 The London Programma: The Special Pstrol Group.
HTV Cymru/Wales.—As NTV West/HTV General Service except: 10.33-10.48 am ABC, 11.55-12.10 per Falabalam.
1.20 Penawdau Nowyddian Y Oydd, 1.25-1.30 Report Wales Naadlinee, 7,00 Y Dydd. 7.15-7.30 Report Wales.

SCOTTISH pionship.

11.50 Barney Miller.

12.20 am Close: Personal choice with Ivor Mills.

11.50 pm News and Reed and Washer. 2.45 Power Without Glory.

7.00 Scattand Today. 11.50 Late Call.

11.55 Music at Harewood.

SOUTHERN 1.20 pm Southern Naws and Weather. 2.45 Charlie and Julie. 7.00 Day By Ilay. 7.00 Scena Midweek (South-East stea bnlyt. 11.50 Bamay Millar.

TYNE TEES 9.20 am The Good Word, followed by North-Esel News. 1.20 pm North-Eset Nows and Where the Jabs Are. 2.45 Andy. 3.15 in Search of . . Killer Boos. 7.00 Northam Lils. 10.35 North-East News. 12.00 Power Without Glary. 12.50 am Ouiz of the Week.

ULSTER 1.20 pm Lunchtime. 2.45 Survival Special. 7.00 Uletar News Heedlinas. 10.34 Uletar Weather. 11.50 Supember Profile (Vloody Alian). 12.20 am Rad-time.

WESTWARD

1.20 pm Wastward Nawa Madlines.
7.00 Westward Blary. 10.33 Westward
Lete News. 11.50 Polics Surgeon.
12.15 sm Faith For Life. 12.20 West
Canntry Wasthar and Shipping Fare-

YORKSHIRE 11.55 am Cartoon Tima, 1.20 pm Celander News. 2.45 The Lincolnshire Shaw. 7.00 Calandar (Emley Maar and Belmont editions). 11.50 SWAY.

Porty. 1.40 The Archers. 1.55 Shipping Forecast. 2.00 News. 2.02 Warnen's Naur. 2.00 News. 2.02 Ustam With Mather. 3.15 Aftermoon Theater (St. 4.00 Charal Evensang (SI. 4.45 Short Story. 5.00 PM: News materials. 5.50 Shipping Forecast. 5.55 Weather: groogramme news. 6.00 News. 2.00 My Music (SI. 7.00 News. 7.05 The Archers. 7.20 Chackpoint. 7.45 Person to Person (Lord Benning). 2.45 Analysis (your abacticity billit. 9.30 Kaledoscope. 9.59 Weather. 10.00 The Warld Tanight. 10.30 The Jasan Explenation (SI. 11.00 A Book at Badtime. 11.15 The Financial World Toright. 11.30 Today in Parliameni. 12.00 News. BBC Radio London

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3 Note pioced in our exterior

4 Unturned lip on feline taking

5 Cancel a direction to a riog

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6 Observe brilliant little plant lacking distinction 7 Frenchman levelled a weapon and crippled (6t 8 One who follows well-known hank (61

apprehend person to whom 11 Bird bolding invoice for shaver (5-4)

12 and pass the end of a left (8t) left (8t 13 Connot even briefly make o

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9.50 am Schools Programmes.

7.30 Coronation Street. "The Last Warrioc," starring Anthony Quinn and Sheller Winters. 10.00 Party Political Broadcast

11.05 European Football Cham-pionship.

ANGLIA

1.20 pm Border News, 7.00 Loak-arourd Viedrasday, 11.50 Brass in Contest, 12.35 em Eorder Naws Successory.

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Burnett, 2.00 pm Andy Peobles, 4.31
Paul Gambaccini, 7.00 Radin 1 Mailbag,
Bo0 Mika Read, 9.50 Newthest, 18.00
Jahn Peal (5), 12.00-5.00 am As
Radio 2, VHP Redios 1 and 2—5.00 cm Wich
Radia 2, 4.30 pm Much Mare Music
(5) (continued from Medium Wave),
0.03 John Ouns (5), 8.02 Wich Radio 2,
10.00 With Radio 1, 12.00-5.00 am

VHP Redio 2.

RADIO 2

RADIO 2

S.00 am Nows Summary. S.03 Stova
Jones (S). 7.32 Terry Yogen (S).
10.03 Jimmy Yaung (S). 12.03 pm
Osvid Namilian (S). 2.03 Ed Stawer: 1
Request Show (S) including Rearry
from Royal Ascot. 4.03 Much Marn
Musia (S) including 4.29 Royal Ascot:
Coronstion Cup. 4.30 Europear Sector
Special Jengland y South. 7.00 John
Ounn (S) (joins VIHT 802 Litten
is the Band (E). 3.45 Alan Dell. 9 15
Among Your Sauvenus (S). 9.55
Sports Dask. 10.32 Punch Line. 10.30
Hubert Gregg says Thanks 151 the
Mamory. 11.02 Sports Oesk. 11.10
Brian Mauthew with Round Midnight,
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News. You: Midweek Choice, part 2 (S., 900 News. 9.05 The Week's Composers the Court at Burgundy Statements (St. 9.05 Beatheren plane states (St. 9.00 Masic lar Organ (S), 10.00 Middley, Concert, part 1 (S), 12.10 pm interval Reading. 12.15 Concert Mill (S), 2.00 Masic Weekly (S), 2.50 Hay Years of Official Music (S), 3.50 Mayon and Brobins chamber music (S), 4.55 Hewe, 5.00 Mainly For Picasura (S), 15 and mone only from 1.20, 7.00 Music New, 7.45 Contract Constant part 1 (S), 8.30 Su Contracts, 2.50 College Concert, part 2 (S), 9.20 In Remembrance of Things Past, 8.55 Vollin and Pierro (S), 11.00 News. 11.05-11.15 Respighi (S) 11.00 News. 11.05-11.15 Reapigki (S). VHF only—Open University: 6.00-7.00 am and 6.20-7.00 pm, and for Smithst students only 12.00-1.00 am. 11.90 News. 11.05-11.15 Respighi

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12.00 Navs Cash (S). 1.00 pm London
Today Frast Report (S). 1.10 Oavs
Cach continued. 2.00 Roger Scott (S).
7.00 London Today (St. 7.30 Advan
Lowis Open Line (S) 9.00 Nicky
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THE ARTS

Those were the days by CHRIS DUNKLEY

One of the main dangers for appoint commenting regularly on a medium as prolific—one might say as unremitting—as television the unsurprising, and the good. The difficulty is, of course, just one aspect of the problem which is familiar throughout all the munications mass media: that those events which interest as all most as readers and viewers are the unusual rather than the usual and more often

of business. If Anna Ford were Russell Harty, Penelope Keith

crime figures—they're average twenties hut the twenties complexity in the characters Records, neither of which has again, news of an African state resisted their hest efforts. which is generally absent not much news value any more, but which has adequate rainfall and ITV's Meet Janet Brown also only from today's American both of which are indulgently a well fed population; and after is the tendency to concentrate is the tendency to concentrate more and more on the new, the about a London pavement winch newsworthy and the bad at the is so cool it won't fry an egg" very few of us would stay with her until after the break However depressing the catalogue becomes it is the air crashes, the border wars, the discomfort and the disasters which go on creating interest.

So too with television's own newsworthiness. After watching scores of programmes in the than not that means bad news past week those sticking most authornly in the mind are the Any news programme (or oddities and the flops—Quartet on BBC2 for instance, a hizarre reported safe landings at Heath-row, international borders where hostility wasn't occurring, and got up to amuse the passengers houses from which nothing had on the Mauretania on a damp en stolen would rapidly go out afternoon. Alan Bennett. promise "Next, Scotland's and Elaine Stritch raided the

ITV's Meet Janet Brown also lurks in the memory. It proved that Janet Brown is like so many other impressionists in having a single party piece (in her case Margaret Thatcher) which is so much hetter than all ber other imitations that it might be advisable to stick to it, sell it dear, and forget the rest. Her Princess Anne, her Annie Walker and her Barhara Castle would have kept us guessing for ever but for the

The memory of the last Levin Interview on BBC2 also lingers on. "As you awaken out of dualism you realise it was a dream . . . you work on yourself and you become an environment . . I'm in the business that Christ was in . . . dying is a hype . . . me as a social scientist ia appalled said interviewee Ram Dass, to which Levin's reply ought to bave been "Is you just?"

instantly recognisable clothes

and accessories.

Dass (otherwise known as Ricbard Alpert) gave the week's moat breathtaking performance of line-sbooting. The other programmea in the series involving ir Michael Tippett Friedrich Hayek, Arthur Ruhinstein and so oo were safely landed aeroplanes; Daas represented the mid-air disaster and is thus

was either old, sometimes very old, or imported from America, and in several cases both. What's more I bad to stay up till the early bours of the morning to aee most of it.

For instance The Outer Limits on BBC2 started 20 minutes after midnight on Friday and finished at 1.15 am -and it was not even one of the best episodes in these old black and white science fiction series. They were all made in America in the early sixties when the ordinary in being overtly monsters were mandatory in s.f. contains a welrd Thing, usually from outer space though sometimes from the past, Each programme opens with a delightfully portentous announcement your television set is being taken over, and closes with its control being "banded

many of the episodes bave a narrative vigour, a moral grammes featuring on my list that's news. conundrum in the plot, and an interesting if not very lifelike and BBC2's fines Book of

imports hut from our domestic futuristic hardware may look today in the light of intervening developments, every episode of The Outer Limits is marked unmistakably hy an understanding and aympathy for the medium of television which isdreadfully rare-and, I sometimes feel, even more rare to important trait making this day than it was in the sixties. series so likeable is that the This week's episode, "I, Rohot" widely talented Innes—singer, which is an Asimov title though be gets no credit) starts nutcase—appears to have such at 12.30 am and runs till 1.25

42nd Street which is even older ended later still at 1.35 Keeler may not be everybody's surely, exactly that.

I suspect that the large broadening of content is continue. welcome. Moreover "Dance Month" did

provide one of my Most Enjoyable Programmes of the Week: the third of the Scottisb ballet's Three Donces to Joponese Music was in its stage form unusual in exploiting oriental music and costumes, and pleasingly out of erotic. Better still, though, it programmes, so every episode bad been directed (by James Hunter? Difficult to be sure) both with an awarecess of the work of people such as Busby family.
Berkeley in 42nd Street and The with the deliberate intention of Soap has just ended, but those ack" to you. and that made it virtually Hartman, Childish stuff, of course. Yet unique in "Dance Month" Instead—

The other two British pro-

which is generally absent not much news value any more, but only from today's American both of which are indulgently enjoyahle. It must be admitted products too. Better still, no that Turtle is woefully limited matter how dated the then by the precept governing every story—that it must emerge from yet another of the stolen deposit boxes—yet the value of the series remains almost unaffected since it is invested in the character and language.
Nor does the Innes Book of

Records, but the single most affection for all the people and all the styles from which he constructs his pastiches. Indeed it is sometimes bard to know am hut every minute was worth whether a parody or a tribute staying up for. Muscular Ruby is intended, and not at all clear whether Innes bimself is sure. idea of a glamorous star (in fact During last week's "Keep On the script, giving birth to one of Rockin'" for example, Innes in Hollywood's all-time great full drape with the girls doing clicbés, makea her novice status hand jive was clearly baving very plain: "You're going out just as good a times as he was there a youngster, but you've in the Joel Grey persona he gong come back a star!") yet used while singing in the style beautiful Bebe Daniels is, of Charles Aznavour to accompany his own Charlie Chaplin

take-off. number of American musicals
which have been tacked on to
week's enjoyable programmes
this year's "Dance Month" on
were three more familiar Ameri-Least newsworthy of all the BBC2 represent an attempt to can imports: Lou Grant which add importance to the event by sustains a standard of script and mid-air disaster and is thus sadly more noteworthy.

The sobering fact is that suppose I can bardly complain. drama broadcast in Britain. and much of the material which gave Last time I castigated the BBC in precious few British ones (yet me particular pleasure last week for paradical and suppose I can be supposed to the BBC in precious few British ones (yet me particular pleasure last week for paradical and supposed to the BBC in precious few British ones (yet me particular pleasure last week for paradical and supposed to the event by sustains a standard of script and that other criterion of news-acting that cannot be found in sometimes—sheer size, yet I applied that cannot be found in sometimes—sheer size, yet I applied that cannot be found in sometimes—sheer size, yet I applied that cannot be found in sometimes—sheer size, yet I applied that cannot be found in sometimes—sheer size, yet I applied that cannot be found in sometimes—sheer size, yet I applied that cannot be found in sometimes—sheer size, yet I applied that cannot be found in sometimes—sheer size, yet I applied that cannot be found in sometimes—sheer size, yet I applied that cannot be found in sometimes—sheer size, yet I applied that cannot be found in sometimes—sheer size, yet I applied that cannot be found in sometimes—sheer size, yet I applied that cannot be found in sometimes—sheet size, yet I applied that cannot be found in sometimes. me particular pleasure last week for parading a narrow body of still it goes out at 11.30, assumwork taken exclusively from ing it goes out at all); Sergeant Western classical ballet dressed Bilko which proves import in a title as voluminously pressive with every repeat, not broad as "Dance Month." Any least because lesser mortals understandably enough, to copy the superb television comedy technique perfected by Phil Silvers 25 years ago which remains tearstreamingly funny to this day (and still it goes out at 1L45); and Soup.

The real strength of Soap is that below its superficial obsesslon with miscegenation, homosexuality, murder, insanity, adultery and so on it is deeply sentimental with its roots beld solid by the traditional American faith in the matriarchal

The current's season's run of exploiting the potential of the of us lucky enough to live in electronic comera—we saw a London are to be provided from couple of mixes, for example. this coming Friday with Mary Mary Hartman Instead—a Norman Lear series which antedates Soop. Now



Peter Hofmann and Yvonne Minton

Covent Garden

Parsifal by DAVID MURRAY

of Wagner's Parsiful by Terry scene, but nothing more. What- Kundry transform from Martha ever saintly wisdom Parsifal is Mödl into Christa Ludwig.) In year. On Monday it reappeared subdued, but only because the usual "industrial disagreement" bad led to lost the score glowa in rich bues; in rehearsals, and theore to a simplified staging. The Parsifal -Peter Hofmann again: Sir Georg Solti and all the principals are back-was allowed to wear a form of trousers tion were they not. of ber allotted seductress's part. throughout, thus avoiding one The softening begins with Hanns kills the terrible conof the irrelevant excitements of Norman Bailey's Amfortas, a fessional sense quite casually; the original first night. Deplor- creditable study blunted by the kootch-girls posture all ably, the kootch-girls in Act 2 remain, rattling their beads Bailey of course commands the becomes a routined night-club among the Flower Maidens, dignified pathos of Hans Sachs, act. In the circumstances Franz There is no evidence that Hands has brought bis skills from the straight theatre to hear npon the acting — Kurt Moll's Gurnemanz is so imposing and complete a performance that it stronger.) Even the great first- aren't; the Knights assemble as must be all his own work, and his colleagues offer mlld, bonest

Hofmann is restored to good voice (scarcely ringing, though intelligently used: he never sounds like someone who would fairy rings and absurdly dissent those unquestioning ceresing for pleasure in his spare tracting. Yvonne Mintoo's mooies as moribund. Still, Solti time). The price of cutting such. Kundry Mark I is no guilt- and Moll between them expound a prettily plausible figure in ridden bag, but a fetching the opera with such tenderness Act 1 seems to be a want of creature in Pocahontas get-up; and gravity that Wagnerlans maturity in the later music; he Mark II is a worse turn, a Ken will not be disappointed rises to an attractive boyisb Russell vision in gold. (Karajan —they can regard the rest as dignity for "Erlöser! Heiland!" at least captured the spirit of flustration by strip-cartoons.

sketches.

-ORGANISING - INFORMATION:

Thesseloniki International Fair - HELLEXPO - GREECE

Thessaloniki: Egnatia 154, Tel. 031-222.377, 031-239.221 Telex: 41.2291 Cables: FOIRINT. Athens: Fiellinon - Mitropoleos 1, Tel.: 01-323.8051 Telex: 0215604

The Royal Opera production and for the whole Good Friday the role when he bad bis meant to have learned bas to spite of being uncommonly noteficently. He forces nothing, and tastefully cool. a virtually seamless Act 3, Good omnipresent kootch-girls: Hands Friday (with the belp of an plainly does not grasp a cruclal inspired oboist) was radiant. dramatic point of Act 2, which

resignation two acts too early. through the scene, and here, the cries of "Erbarmen!" by Hands: instead of the broad

be read through the orcbestral accurate—or maybe because of music, which Solti treats magnithat? Miss Minton's Kundry is And disastrously beset by the

The darker thoughts in the is that in ber original-sin narramusic are even softened a little tive, Kundry is stepping -they would hetray the produc- desperately outside the limits of ber allotted seductress's part. but Amfortas' anguisb must be Mazura manages a goodish distressing, even shameless; Klingsor-perhaps fully-realised lighting would give him the do not stab the beart. (His needed belp. The Grail is all weary last scene is much right; the relestial boys' voices act interlude bas its teeth drawn if for a nonconformist meeting, clean against the grain of their transformation required, he sets hieratic music. No doubt the his Gurnemanz and Parsifal to proper rituals would offend wandering mazily about the Hands' tastes, though part of stage, like children treading Wagner's intention was to pre-



Phil Silvers

New York State Theatre

New York City Ballet

gramme bears a photograph of loss of precision, is something Merrill Ashley wearing one of Balanchine has sought for her those dull NYCB pink dresses, in his new Ballade—to Fauré's poised in arabesque. Caught score—and it is what was so poised in arabesque. Caught score—and it is what was so this son the wing, Ashley offers noteworthy in her dancing in a quintessential image of the Allegro. Here she becomes so present generation of City entirely at one with the music Ballet artists. Her line is that she can find time, when generous, open; the stretch of plainly no time exists, to allow for a pose to reach its fullest extension. The dance there is an eager onward-dart richest extension. The dance ing lightness and energy blossoms. In the plane there is an eager, onward and ing lightness and energy, blessoms. In the placing lightness and energy, blessoms are as a solo for the blessom and lightness and energy, blessom and lightness and energy in the ligh in action in Allegro Brillonte— and arms to ease gently into whence pose and dress come— positions, when the tempo is which began a performance I still a truly recently saw by New York's Marvellous.

This same

sky's incomplete third piano chine made to Webern music:
concerto, and for the central the op. 21 symphony (led by female dancer Balanchine has Stephanie Saland and Ib conceived dances of glittering brayura. Ashley has the speed op. 10 (for Wilhelmina Frank-page speedier the clearent for tank Christopher Floring) dynamically varied and absohas the fire, the lustre of Staggering, exhibitating, the diamonds. Nothing seems first three sections are along beyond this prodigious dancer, the most baunting dramatic Yet since her performances last choreography I know. The September it is as if Ashley has absolute compression and gained in lyric warmth; instead austerity of Webern's writing is of being a rivière of diamonds, mirrored in tiny incidents for her movement is a string of the three couples, which seem

still a truly brilliant allegro.

This same programme had Allegro Brillonte is set to the Episodes at its beart. This is opening movement of Chaikov- the 20-year-old study Balanbravura. Ashley has the speed op. 10 (for Wilhelmina Frank-none speedier—the clear-cut, furt and Christopher Fleming); the concerto op. 24 (for Allegraintely easy virtuosity the work Kent and Bart Cook), and as demands. Her dancing, as we final resolution, the Ricercare lately saw at Covent Garden, from Bach's Musical Offering.

The front cover of the New pearls. This softening of like Nob plays, filled with York City Ballet's daily pro: Ashley's attack, without any secrets, bizarre, succinct, with gramme bears a photograph of loss of precision, is something battles of will and physique which we glimpse in the tightly compressed, allusive Balanchine adopts.

> Saland and Anderson are seen in a duet where they are linked for much of the time, band to hand; Frankfurt is placed in a pose by Fleming and then left in this seemingly incomplete position, just as the music appears to leave our attention hanging in the air; Kent and Cook—thrilling artists—estab-lish a world resonant with sardonic, elegant dialogue. Episodes is bypnotic, un-putdownable.

> The final Vienna Waltzes looks ideal on its home stage. with patterns opening out, and mysterious reverberations of image coming from the dimly reflecting backdrop. Karin von Aroldingen and Suzanne Farrell, who open and close the piece. offer beautifully complementary views of the waltz. Von Aroldingen bas its beat, its lilt in ber spirit, in the curve and sway of ber torso; Farrell, in the final Rosenkovalier sequence, is its insidious, con-stant and beautiful allure. And when 25 couples pour over the stage at its end, you could swear that this is the most stirring dancing in the world.

CLEMENT CRISP

Moriey College

Musica Viva

The regularity with which the music department at Morley College comes up with enterprising, ambitious programmes is some measure of the vitality and curiosity going into performances there. Reading the details of the Musica Viva Ensemble programme before Monday's concert, it was difficult to believe that the performers were to be amateurs-Lutosiawski's atring quartet, Oliver Knussen's Rosary Songs, Kenakis'a Charisma, Stravinsky's Three Shakespeare Songs -works which in the pro-fessional world would be the province of specialist ensembles.

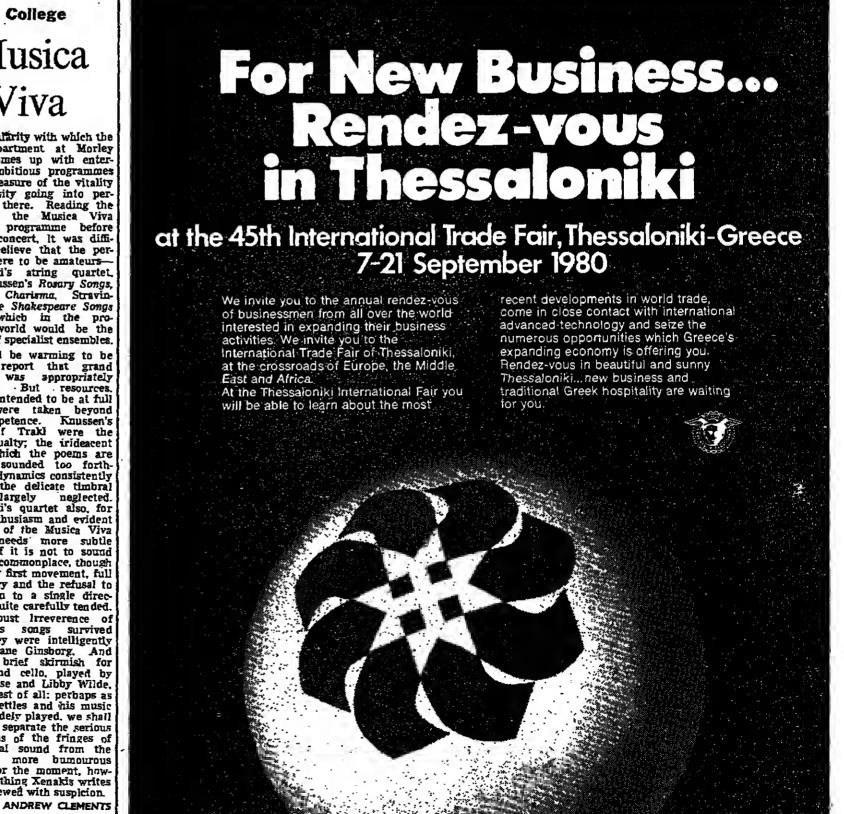
It would be warming to be able to report that grand ambition was appropriately rewarded. But resources. evidently intended to be at full stretch, were taken beyond their competence. Knussen's settings of Traki were the major casualty; the irideacent web in which the poems are cocooned sounded too forth-right, the dynamics consistently too lond, the delicate timbral effects largely neglected. Lutoslawski's quartet also, for all the enthusiasm and evident dedication of the Musica Viva Quartet, needs more subtle bandling if it is not to sound crude and commonplace, though the sborter first movement, full of hesitancy and the refusal to settle down to a single direction. was quite carefully tended.

The robust lireverence of Stravinsky's songs survived better: they were intelligently sung by Jane Ginsborg. And Kenakis's brief skirmish for Under Steuart Bedford's clarinet and cello, played by direction the score comes up Jeremy Rose and Libby Wilde, visibly, revealing, as well as the survived best of all: perbaps as the dust settles and his music is more widely played, we shall be able to separate the serious explorations of the fringes of instrumental sound from the pieces of more bumourous intent. For the moment, however, everything Xenakis writes must be viewed with suspicion.

> 'Work-in' at drama college

Students at Rose Bruford College of Speech and Drama, Sideup, Kent, are bolding an all-night "work-in" on Friday, June 20, in protest against a reduction in the college's 1980-1981 funding from the Educa tion Department.

Events will include a spon sored reading of Paradise Lost. a rehearsal of Chekhov's Ironov, and a reading of the complete RONALD CRICHTON | Works of Shakespeare.



Snape Maltings

ASSIFIE

RTISEME

A Midsummer Night's Dream

The new Midsummer Night's and forth in and out of one which Mr. James projects his Andrew Clements after the first performance is a joint effort by the Aldeburgh Festival, the Snape Maltings Foundation and snape Maitings Foundation and the English Music Theatre Company. Christopher Rensbaw (producer) and Robin Don (designer) have advised a radically-conceived staging quite different from the old one at Covent Garden and before that, he pro-Melting days at the In pre-Malting days at the Jubilee Hall. How the new, filldepths of the stage at Snape, will adapt to proscenium theatres remains to be seen. Meanwhile, such a thorough exploitation of a particular space is greatly stimulating Dramatic and visual expectations are The music is

enhanced. cover scene changes overlapping moves inthe man stand, with one move performance during like thickly leaved branches; more practice on the girders the Festival on Thursday most importantly, triangular confidence and mobility should evening. trapeze bridges sliding back soon match the authority with

Dream, briefly described by another. As the singers climb voice. up and down the bridges three clearly but not rigorously defined levels become perceptible—at the top, the immortals with Oberon as the apex, in the middle Theseus and the lovers (the court), below the rustics (the people).

The lighting by John B. Read successfully transforms the con-struction into the mysterious struction into the mysterious wood, unfriendly but not grim—there is play with iridescent scapbubbles, gleaming drops of herb-juice, and twinkling flower-lamps. The choreography by Terrence Etheridge is discreet. Chubb moving across the three levels, physical movement tends to be inhibited. Perhaps more There are three main attention was paid to the meta-elements in the design—a faintly shimmering backdrop of tinsel strips, cloud shapes of metal gauze, moved sideways to cover scene changes overlapping moves little and stiffly—with

Under Steuart Bedford'a

ingeniously prickly night noises, more stinging pain than one remembered, pain inflicted, pain received, passing gradually into resolution and reconcilia-tion. There is some excellent singing but, for a company expressly concerned with "music theatre" performing an opera with words by Shake speare, too much weak diction. Two notably gifted young sopranos Marie McLaughlin (a Titania whose voice shines like quicksilver), and Helen Walker Otherwise, except for the (Helena) were offenders. The raucous acrobatic Puck of Mike remaining lovers — Kate Flowers, Niel Mackie and Ricbard Jackson were innocent So was Roderick Kennedy as Bottom, not a very resourceful comedian but a strapping young bass who delivered a miraculous portamento yawn as the exposi-tion of sleep fell upon him. One more performance during

FINANCIAL TIMES

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. Wednesday June 13 1980

London's mass transit crisis

THE PUBLICATION of a con-sultant's report to the Board of London Transport on its own sidy; feather-bedding of one management deficiencies will forces all concerned—and not just the unbappy directors who have heen pulloried—into draw-ing up a basic strategy for puhlic transport in Britain's capital.

If this is accepted as the nature of the problem, then it is the GLC which stands condend for lack of strategic This is urgent not because of the leck of "business culture" detected by the consultatants in what seems to he a generally clearest faults are wishful budsomewhat unhelpful report, but
beceuse the finances of London
Transport are now in the seems to have been to minimise
its subsidy. The executive's
clearest faults are wishful budgeting, and a failure — in which
it is not unique — for the seems to have been to minimise
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clearest faults are wishful budgeting, and a failure — in which
it is not unique — for the seems to have been to minimise
its subsidy.

Fare levels

The report itself should be doks on the face of it comparised as largely irrelevant.

The London Transport Executive is the servant of the Greater lying numbers which are sus-London Council, and cannot by ject. itself generate e strategy; only in London passenger fares in the CLC can decide what klod 1979 covered 90 per cent of the of system it wants and is willing costs of the underground system to pay for. Nor is it belpful to congratulate the Executive on public subsidy than systems in example, passengers are other cities; this has been expected to cover only a third achieved simply by fares among of the cost, and this is by no the highest in the world—in meens abnormal, money terms, let alone in rela—There is a strong case for a tion to income—and the level higher subsidy, which rests not of fares is io fact part of the problem. Fare levels are now paying. Some of the major driving away passengers in such numbers that revenue was ris-ing only balf as fast as expendiuse it—busioesses, who depend ture in 1979. Leaked figurea on it for staff and customers, suggest that this slide into and private motorists, who cao hankruptcy has accelerated only use the roads as long as alermingly during 1980.

This fact is not in itself any condemnation of the management; the economics of public transport are such that it universally requires subsidy. A public transport system can best he regarded as an indispensable part of the transport syslem of a city generally; without it, the road network could not bandle more than a fraction of the traffic. It is no more relevant to ask whether the system is profitable than to ask whether the local authority makes a profit" on road maintenance. The problems of strategy are partly to decide on an appropriate level of subsidy and one test is a level of fares which will enable the system to hold its market share, as well as reaping the benefits of scale economies. The management right problem is largely that of any first.

kind or another is endemic in serve a useful purpose if It public transport, e seemingly necessary evil to he minimised.

If this is accepted as the thinking. Its only concern seems to have been to minimise what seems to he a generally clearest raults are wishful budgeting, and a failure — in which because the finances of London lt is not unique — to make significant progress in productivity. The structure of 6nancial relations between the two bodies, with penalties attached to helow-hudget performance,

and 55 per cent of the cost of the bus service. These are unusually managing at a lower level of high proportions. In Paris, for

There is a strong case for a beoefits of public transport are and private motorists, who cao only use the roads as long as they remain a small minority. A proper transport strategy would price the system as a to maximise the efficiency of the system as a whole. Since the era of "economy," which has led to fares higher per seal mile similar to a flight Concorde, has clearly started demonstrate its own inner absurdity, a rethinking of strategy on these lines cannot be avoided.

Scapegoat

The danger of publishing the consultant's report—apart from ensuring that other public bodies are unlikely to risk such humiliation—is that attention will be diverted from strategy to the search for a scapegoat. There are certainly important details which need putting right; but strategy must come

Mésentente in the Pacific

tories in the period leading up Independent country. to independence, and it is not on the other band it is clearly entirely surprising that local undesirable that there should be rivalries should be creating difficultics in the New Hebrides in the weeks preceding its in the weeks preceding its independent country. On the other band it is clearly undesirable that there should be violence in reassertiog colorlal aulbority over Espiritu Santo. and there should he no need for independence, planned for July violence. The 200 marines 30. What is disturbing is that which have been sent nut from the state of the stat Britain and France, as the two the UK are there to make it powers which have been reschear that force could be used ponsible for governing the if events get out of hand, but condominium since 1906, should that moment does not appear to be so signally unsuccessful in heve arrived. It probably agreeing bow to bandle the would not arrive if the British situation. Mutual recriminations between the two Resident Compagnees on a policy that was both do not help and expose their respective governments to ridicule and contempt. In principle there is due to be a principle there is due to be a cosm of age-old rivalries and cultural conflicts between the cultural cultural conflicts between the cultural cultural cultural conflicts between the cultural cultural missioners on the spot certainly firm and calm, do not help and expose their M. Paul Dijoud. France's Minister for Overseas Terri-tories, but M. Dijoud has so far been uneble or unwilling to fix a time and a place for such

Integrity

As the responsible powers, Britain and France have an obligation to maintain the integrity of the New Hehrides until its independence, if at all until its independence, if at all possible, and to band it over in good order to the locally elected government. In the recent dispatch of French gendarmes to the territory, and their equally sudden withdrawal, raise the question whether the government. In the recent elections the anglophone Vanuaku party led by Father Walter Lini won an overwhelming victory, including a majority of the votes on Espiritu Santo tself, to the surprise and disapmintment of the French settlers in the territory, and the fledg-ing elected government is entified to expect that its legitimacy and the integrity of the New Hehrides will be respected by the colonial powers. There is no reason to suppose that Mr. Jimmy Stevens, leader of the breakaway could get majority support from the population of the laland.

dence is another matter. Mr. ently from the Britiab. Bul Stevens may think he is on to whatever the true explanation.

POLITICAL disturbances are barely blg enough in its com-not uncommon in colonial terriplete state to be viable as an

British and French that it would be unwise to assume that British conduct in the territory and British policy as formulated in London are perfect, and that the blame lies entirely with the French. Yet there is little doubt that the French are unhappy with an election result which would put the territory in the hands of the anglophones, and certain very recent French actions, such as the sudden French Government is playing very straight game.

Various cynical explanations for French behaviour have been suggested: that they want been suggested: that they want new elections in the hope that the Francophones might win: that they are afraid that the example of independence in the New Hebrides would start pressures for independence in nearby New Caledonia; even that they are in the final analysis rejuctant to give up analysis rejuctant to give up empire. The true explanation may be different: an ineradic-What happens after indepen- able instinct for acting differe good thing in trying to turn neither France nor Britain will

Heads begin to roll at Fiat

BY PAUL BETTS IN ROME

OR THE car husiness as shareholding in IVECO.

a whole the next few In view of Fiat's traditional a wbole the next few years are e gamhle and I'm afraid we shall see some funerals," Sig. Glovanni Agnelli, the chairman of Fiat, Iaconically remarked oo the top floor of his conglomerate's drah head-quarters in Corso Marconi in Turin. "And Fiat in Italy today is far more vulnerable than powerful."

Hence it is unsurprising that

Hence it is unsurprising that profound, it so far largely unnoticed, changes are taking place i nthe top management thinking of Fiat. They are likely to hring about a signiicant reversal of some of the key management policies both Sig. Agnelli and his younger hrotber, Umherto, Fiat's chief executive now in control of the runnio gof the giant car group, embarked upon after the last world car slump in 1974-75. It comes at a time wheo Fiat is finding it increasingly difficult to keep up with the pace of internetional competition and is losing ground in some of its main export markets, largely to Japanese car producers.

At its annual meeting on July in Turin Flat will again report to its sbareholders a net profit of nearly L40bn (£20.5m) for 1979 and diaribute an unchanged dividend of LIS5 per share. But these earnings are in large measure the result of

Only an odd number of directors can run a company, and three is too many

group's overall sound financial positio nand its profiteble activities outside its car business. Flat's car operations last year, after breaking eveo in 1978, showed e net loss of L97bn despite continuing buoyant car demand in Italy, the group's higgest market.
Coupled to this, Fiat's beavy
vehicles arm — the IVECO
group — also registered a loss
of L8.2bn last year. These losses
bave heen compounded by the withdrawal earlier this year of Kloeckner-Humboidt-Deutz of West Germany which decided to

FIAT'S SHARE IN WESTERN EUROPE

sell back to Fiat its 20 per cent

(diameter bushing						
	Fiat sales*	Total ca				
1973	1,675	9,388				
1974	1,390	8,127				
1975	1,342	8.356				
1976	1,374	9,474				
1977	1,371	9.960				
1978	1,464	10,162				
1979	1,345	10,475†				

Fiat, Lancia, Autobianchi and SEAT

difficulties in making cars profitably in Italy, it has sought during the past few years to boost its strengths in its other industrial sectors. But its car operations, accounting for nearly half its LI5,000hn consolidated turnover last year, are so dominant that the group's future fortunes are bound to revolve around this business in the next crucial years.

In unchanged circumstances, there is a real risk that Fiat's car operations could eventually be driven out of business or, more probably, end np in the state subsidised economy. This would have dire reprecussions for Italy for it is generally acknowledged, even by the Communist Party, that for the Italian economy to prosper Fiat needs to prosper too. For all these reasons, the

Agnellis are now revising some of their earlier policies. The next few years will probably see at Fiat a return to a more autocratic and centralised form of leadership on the model of the company's founder, the late Giovanni Agnelli, grandfather of the two brothers. He was reported to bave once said: "Only an odd number of directors can run a company, and three is too many."

In many respects, this is already happening. Sig. Umberto Agnelli admitted last week that at least in the heginning of the 1980s Fiat will revert to "a more centralised management style" in sharp management devolution of the last few years. "The company must tackle a wbole series of painful and unpopular problems and these responsibilities should fall on the shoulders of a few," according to the Flat chief executive. The group, be added, had to improve internal efficiency both at the produc-tion end and right down the management line. It bad to sharpen its market approach and its product mix. In a broad belt-tightening policy, It had to scrutinise overheads more care-

This bas been translated in the past few weeks into a number of proposed management changes in Fiet offices in Italy and abroad. Heads bave begun to roll. More signifi-

Fiat, after much besitation, has noticeably hardened approach towards lahour relations even et the risk of setting the company on a collision course with the trade unions end the left-wing parties, particularly the Communists.

Last October Flat took the unprecedented decision to dismiss 61 car workers for industrial violence and tem-porarily halted all recruitment at its Italian car plants. The move was largely e management response to factory violence. It led Sig. Glovanni Agnelli to say at the opening of the Turin Motor Show last April that unlike any other major car pro-ducer, "Fiat makes cars with one hand and fights a guerrilla war with the other." Indeed, since 1975, three Fiat executives have been killed and 17 other employees kneecapped or other-wise wounded by terrorists.

The decision, which caused a major political storm, has been followed by equally con-troversial moves like the decision to put some 78,000 car workers on short-time this summer. "We mean business summer. this time," claimed Sig. Vittorio Ghidella, managing director of Fiat's auto division. He also warned the company may be forced to turn to more widespread temporary layoffs later this year.

At the same time, Fiat is applying a more rigorous approach to its foreign operations. This is the case with its long standing association with SEAT, Spain's largest car manufacturer. At the end of last month, Flat announced it would not take part in SEAT's capital operation. It thus reduced its stake in the Spannish group from 41 per cent to 28 per cent. Although it is unlikely Fiat will make a total withdrawai from Spain. The move clearly reflects Fiat's concern at baving to shoulder SEAT's current huge losses and

Productivity of West German car workers is 37 per cent higher than at Fiat

manufacturing difficulties. The Agnellis also appear to

its traditional European export short-term debts: rose from markets, particularly in practically nothing to more countries like Austria or than L500bn. By the time the market recovered. First found itself in a particularly weak Denmark without national motor industries of their own, the Japanese have been making position compared to some of inroads largely at the expense of Flat. "We are compating in Volkswagen or Renault, which the same category of small to were coming out with new medium cars in these countries models and their prices are under-cutting ours to a degree we

Fiat's Sig Glovanni Aguelli: "I'm afraid we shall see some funerals in the car busine

First in Italy today is far more voluerable than powerful."

simply cannot compete with," Sig. Ghidalla emphasised. For Flat the immediate problems, according to Sig Umberto Agnelli, are the need to reduce costs and improve productivity.

The company has also been undermined by what it regards. as an overvalned lira preventing it from competing properly in export markets. The gulf improve productivity by colla-borating with the unions failed. export markets. The gulf between inflation in Italy, new running at an annual rate of more than 20 per cent, and that of Fiat's principal foreign markets and rivals has so far

a rise in productivity at home or by a devaluation of the Italian currency. The underlying reasons for ponents sector to achieve necesthis general reappraisal of man-sary economies of scale." The agement policies is seemingly plan this time is to go ahead. First's anxiety not to repeat the with the group's 14,000bn five agement policies is seemingly plan this time is to go ahead industry. It hopes for additional Fiat's anxiety not to repeat the with the group's 14,000bn five that support to reduce the errors it made at the time of year car investment programme bunden of the social welfare the lest crisis in the world car which will see Fiat coming out costs it has to pay for its industry seven years ago. On on the market by the mid-1980s 300,000 employees, for support to reduce the sump, the situation for Fiat then was much small-sized models, produced in and ultimately for effective as it is today. The company's greafer volumes than today back up in improving labour mobility and productivity at its the middle of renewing its car range as it is at present doing.

"The "73-74 crisis hit Fiat"

"The '73-74 crisis hit Fiat begun to roll. More significantly, Mr. Jecques Vandamme, head of IVECO, has now resigned and is to be replaced by Sig. Giorgio Manina, the former chief executive of the Fiet controlled publishing group Fabbri.

These changes have been preceded by an equally significant change in the company's attitudes to industrial relations. It had attempted to buy industrial peace and improve productivity through a policy of collaboration and dialogue with the Italian state car in southern Italy, For collaboration and dialogue with the Italian trade unions. Now be considering gunboat diplo in the middle of a major com-

Europe as a whole. In most of ancial crisis as the company's labour unrest at a time of its European competitors like

> Fiat gradually resolved its financial problems largely by consolidating its short-term debt into the medium term and through the spectacular opera-tion with the Libyan Arab Foreign Bank which injected some \$450m of fresh funds into the group. Sales recovered slowly in Italy and abroad, although the company's efforts to win industrial peace and

In the face of the current crisis, Fiat's broad policy was summed up by Sig. Umberto Agnelli as "rationalising and reducing the company's range not been made up either by of cars, producing bigger volumes and entering into joint ventures with other European manufacturers in the com-

position to compete strongly, especially since the general

strong demand, particularly in in Italy. However, Fiat expects demand in Italy to drop sharply by the autumn or at the latest Italian market has traditionally followed world trends some six months later.

"In many respects, Fiat is like an elephant permanently attacked by hyenas and other wild animals." Sig Ghidella

Fiat is like an elephant permanently attacked by hyenas

remarked. Indeed, like an elephant. Fiat has reacted sluggishly in the past to changing circumstances. It has also faced, as a consequence of its over-riding economic power in Italy, constant attacks from the unions and the political parties and now from the Japanese. Flat is lobbying the Rome Government which is working on a long awaited recovery pro-gramme for the Italian car industry. It hopes for additional

think that Fiat could take any

MEN AND MATTERS

Texan on the backers' trail

After spending most of bis life as a company man, five years ago John R. Blocker almost by accident found hlhself overtaken hy circumstances which trensformed his vague musings oil tycoonery. Formerly top man in Dresser

Industries' worldwide oll and minerals operations, the 57-yearold Texan resigned in 1977 to start his own company end now runs the publicly-quoted Blocker Energy Corporation with 42 per cent of its \$100m paper value

cent of its \$100m paper value in his own name.

"I made a side Investment in a drilling operation close by my ranch near Laredo. And dang me if they dldn't find gas in it," be told me yesterday. "It was like being born again." The income gave him the funds to use his expertise on his own hebalf. his expertise on bls own behalf, and be promptly left Dresser to establish e modest contract drill-ing firm which has since hlossomed into bis present cor-

poretion.
"When I started I had \$3m or \$10m of my own," he says with the carelessness about fine detail one expects from a Texan. "Then when I bad signed \$44.00 worth of notes. I decided that would be a good time to go

Although no dividends can be expected for some time, growth has been rapid. Total sales last yeer were \$45m, and he predicts \$75m this year followed by \$125m in 1981. With all these figures in bls baggage, and most of bis board in his train, he is touring Europe honing to raise \$35m in new backing for his drilling and oil exploration prvjects, principally in the U.S. and

Latin America. Espiritu Santo Into a tax haven, even if il means relying on 1be very duhious assistance of such murky interests as the Phoenix Foundation. But it is not good pollcy for the colonial powers to lend themselves to such schemes or to acquiesce in the fragmentation of a territory which is Having spent much of his life



"All change!"

at \$40 e harrel can he good Despite these modest expect-

of course in the European Par-liament (which was yesterday bogged down in bird conserva-The unabashed Ramond, howtion and the feminine condition) but in the meetings attended by a Chinese delegation led by

She has been mulling over industrial co-operation with Commission President Roy

by the prospect of additional The parting with BMW is supplies of webbed feet for their woolly amicable and was fore tables, are still digesting the seen when Wagner, now 47,

Pricey advice

In an "industry" where to Dr. Walter Hasselkus, 38-some companies provide results year-old bead of BMW's retail no better than could be operation in Berlin. some companies provide results on hetter than could be oberation in Berlin.

obtained by tossing a coin.

Ramond is not slow to broadcast that his track record is generally good, pointing to a survey carried out last year by the magazine Euromoney which gave him top marks for accuracy out of a list of 14 vW/Andi operation in Britain from 1972 to 1975.

at the same time be is refreshingly frank about the pltfalls of currency clairvoyance. In London yesterday, the 49-year-old former clinical psychologist told a group of potentiel cllents that his predictions for the Canadian dollar had been "improbably ybed"—and cheerfully releted the store of a customer who had made the view is that native UK against the consistence.

but in the meetings attended by to be putting up basic advice a Chinese delegation led by prices by 50 per cent—to Chou En Lai's widow, Madame \$12,000 a year.

courgeoisie heve, for them, a far more important topic.

French geese end their rearers are having trouble supplying the growing demand for foie gras, so the farmers of Alsace want a deal.

was approached by the West German car maker in 1978 to oversee its takeover of UK imports and distribution from Tozer, Kemsley and Milbourn Amid the cluster of forecasters spawned during the turhulent years of floating exchange rates, Charles Ramond, head of the New York-based Predex Group, is distinguishable by a certain self-deprecating charm lacking in some of his slicker rivals.

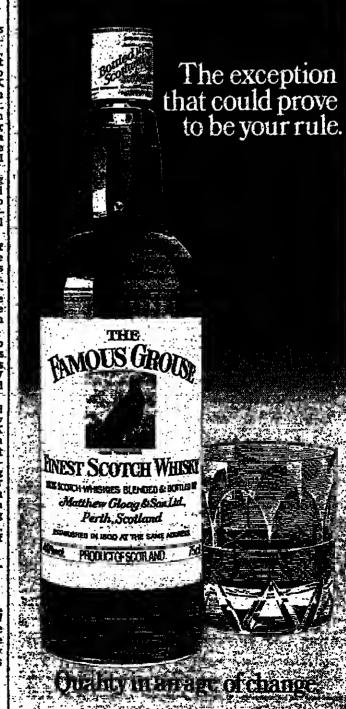
Tozer, Remsley and Milbourn. The chenge was completed on January 2, and Wagner's other big headache—establishing a new HQ—disappeared with the move into BMW's Bracknell home shortly afterwards.

Now the operation is ticking over nicely, Wagner is to hand over the managing dictatorship to Dr. Walter Hasselkus 38-

more to the point is the com-pany's plan to start building cars abroad and its need for ever, is still confident enough officer material with inreign campaign experience. Glven the car-mart war games being played here with such vigour, Hasselkus should get plenty of

Cinema verite

I could not wish for a neater, nor more topical example of



LABOUR AND THE PRESIDENTIAL RACE IN THE NUM Scargill's 'By the Left, quick march'

As president of the miners, opened his campaign to capture. Mr. Terry Duffy, thrown up by the presidency of the National the right-wing machine and the presidency of the National the right-wing machine and week that the candidate was made most visible, and the manifesto launched. Mr. Scargill would undoubtedly have considerable psychological impact on the wider trade manifesto launched. Mr. But it was in Scotland last week that the candidate was made most visible, and the manifesto launched. Mr. But it was in Scotland last week that the candidate was made most visible, and the manifesto launched. Mr. But it was in Scotland last week that the candidate was made most visible, and the miners, where the miners, area. But it was in Scotland last week that the candidate was made most visible, and the manifesto launched. Mr. Galley's age—55—has ruled the vight can only muster and control of the miners, were considerable psychological manifesto. In the candidate was made most visible, and the more unpredictable Durham area. But it was in Scotland last week that the candidate was made most visible, and the more unpredictable Durham area. But it was in Scotland last week that the candidate was made most visible, and the more unpredictable Durham area. But it was in Scotland last week that the candidate was made most visible, and the more unpredictable Durham area. But it was in Scotland last week that the candidate was made most visible, and the more unpredictable Durham area. But it was in Scotland last week that the candidate was made most visible, and the more unpredictable Durham area. But it was in Scotland last week that the candidate was made most visible, and the more unpredictable Durham area. But it was in Scotland last week that the candidate was made most visible, and the more unpredictable purham area. But it was in Scotland last week that the candidate was made most visible, and the more unpredictable purham area. But it was in Scotland last was in Scotland last was in Scotland last was in Scotland last was and ritual of a United States presidency of that union. Since Presidential election.

not even been officially declared afters not to Mr. Scargill and matters not to ser scargill and his backers. The prize is great, and the vote winning machine of the Left needs oiling well in partence. The primaries

Mr. Scargill's message seems incomprehensible to Surrey businessmen

have been held and the "con-sention" of the Left has idorsed his candidature.

The right-wing incumbent, Mr. Joe Gormley, is not amused by this premature bid for bis joh. He has two years to run representing the industrial, and and has stopped hinting that Mr. Anthony Wedgwood Benn, he might go early. "There's no representing the political conbisody vacancy," be said last while the Scottish miners were

Mr. Gormley's supporters bave yet to settle on their and Benn (reputedly the first choice they, too, need time to groom a candidate who can fend off the Marxist who is a son'a appearance in the 1950s) bousehold name. But there is the Nottingbamshire miners no doubt they will fight hard

If Mr. Scargill wina the election, which can be deferred no longer than 18 months, he will not just become the first leftwinger to lead the national union since its formation in 1945. He will be a potent symbol for the Left, who both inside and outside the National Union of Mineworkers bave suffered a more than usual number of factical reverses in

recent years... Mr. Scargill himself is only

The fact that the contest has seat on the AUEW national of even been officially declared executive committee. The conficient not to Mr. Scargill and sequences of that shift of power are even now being felt in the constitutional battle for ideological supremacy inside the Labour Party.

It is no surprise then that veterans of the Left like Mr. Michael McGahey, president of the Scottish miners and former chairman of the Communist-Party of Great Britain, should see in Mr. Scargill their best hope for years of reviving—at a crucial moment in British politics the march towards Socialism

It was no accident that the atar speakers at the Scottish miners' gala in Edinburgh 10 days ago ahould be Mr. Scargill, representing the industrial, and while the Scottish miners were rising to their feet for Scargill burgh gala day since Paul Robethe Nottingbamshire miners were doing the same for Mr. Gormley and Mr. James Callaghan.

Mr. Scargill's campaign bad begun before his visit to the Scottisb coalfield last week: but tutelage. He has ben backed by leaders of the South Wales miners (traditional allies of the Scots) by North Derbyshire and Kent He has been canvassing in what happened in the engineer- hidding hard for a large slice of new.

McGahey's age 55 has ruled bim out of the contest, so here was the king-maker at local meetings and at the annual con-ference of the Scottish NUM challenging his men to bring out for Arthur Scargill the kind of vote that be himself would bave counted on had he been the candidate.

fusion of trade union interests like wages, safaty, health, job security with a wider political message including the so-called the Scottish miners even if it seems incomprehensible and irrational to Surrey hasinessmen. Scotland is not England and-as Scottish trade unionists like to remind the visitor from London-the Labour Party won the general election north of

Something more serious than a union election is at stake

the Border." By the same token, bis message may he enough to belp Mr. Scargill into the presidency of the . NUM-the odds must be in his favour-but it does not mean that be will easily win the votes at the with nothing like the publicity annual Trades Union Congress he enjoyed under Mr. McGahey'a in September necessary to gain in September necessary to gain his place on the TUC general council.

Scargill would join an increasingly confident minority of left-Nottinghamshire across the wingers who helieve the vacuum border from his South York-left by Jack Jones and Hugh shire kingdom, where there is a Scanlon bas not been entirely too conscious, for example, of handful of left-wing pits, and is filled by the moderates, old or to his feet by the oratory of

the NUM can only moster 240,000 votes at Congress these days, compared with the 1.2m of the AUEW. Nevertheless, there can be

no doubting the conviction of the Communist or left-wing Labour leaders of the Scottish counted on had he been the sandidate.

Mr. Scargill's message, a capitalism is probably the usion of trade union interests most overworked phrase in the Communist's vocahularybe beard several times a day at almost any trade union cooferalternative economic strategy, ence—but the political activists is familiar enough to men like in Scotland seem sure that Mrs. Thatcher and ber Government are stoking up a crisis from which only the Left, including the shrinking Communist Party, can benefit. Mr. McGahey him-self says Britain is facing "the higgest crunch in my lifetime." It would be wrong to assume

that the 21,000 Scottish miners

are a solid Communist battalioo. As everywhere else, there are trade union members with little or no interest in "politics," or even in union affairs. Some are critical of the time spent hy their leaders on "politics," and disappointed by the union negotiators' performance on wages and fringe henefits. On the nther hand the hattles of the 1920s among the Scottish miners have long since been woo hy the Left, whose writ appears to run right through the coalfield. As one unsuccessful young contender for the important job of a pit delegate admitted, Party membership-or at least Communist Party sup-On the general council, Mr. port—is probably a prerequisite for a career in the Scottish union. This same man was in no doubt whom he would be sup-porting in the national presidential race—be had heen lifted Arthur Scargill.



Mr. Scargill, heginning his campaign early despite Mr. Joe Gormley's warning, "There's no bloody vacancy.

There are industrial as well the £50. £60 or £70 a week in has remained fairly constant in as political reasons for this areas like Nottinghamshire. kind of support. Scottish miners, with the exception of rated underground worker a rolling programme plus those at one or two pits, have shows a hasic of £101.95 for another £60m to open up the Coal Board's bonus scheme ance, £2.35 hathing time (a new Firth of Forth. than their English counter- allowance) and £9.31 bonusparts. Difficult geological coo- total of £114.86. An oil tanker ever, for miners producing ditions bave counted beavily driver can pick up £130 or £140 coking coal ib the face of cheap against them. In some pits— a week without much difficulty, foreign supplies. It does not even the most modern like

Joh security is another concheer men working the small Monktonhall near Dalkeith, or stant worry even in an area pits lika Sorn, in Ayrshire, who

Energy, Norway,

One recent payslip for a top-

or less in bonus, compared with -according to the Coal Board- of Sorn - only 370 of them -

generally is investing £73m on done far less well out of the five shifts, £1.25 might allow- coal reserves that lie under the

That is small comfort, bow-Killock, in Ayrshire — face- where no pits are publicly nomistruggle with pick and shovel workers are earning £10 a week nated for closure, and manpower to turn in a profit. The miners of less in house compared with

the Board for investment of f1.5m so that they can get down another 240 ft to a bigger and better seam, and keep the pit

These are the sort of men to whom Mr. Scargill will be addressing bimself throughout the British coalfields during the next 18 months; and if his programme differs little from the present policies of the union, it is the determination with which he puts it over that wina the applanse. Mr. Gormley and Mr. Scargill have

Mr. Callaghan will be. watching this contest; closely

the same general policy on pit closures—there should be none unless reserves are exhausted. But Mr. Scargill goes further. If one pit sbuts in Wales, he declares, and If the Welsh miners call on Yorksbire for support, then 65,000 Yorkshire miners will stop work.

On the other side of the political divide in the NUM, they say: "You can't run the national union as you run Yorkshire, Arthur will mellow if be gets the job." But Arthur declared last week, under the watchful gaze of Michael McGahey, that he would not change. "If the price of winchange. niog the joh is to compromise my views, then I don't want it, he said.

But Wr Scargill does want the job, and his getting it would he interpreted, certainly on the Left, as evidence not only that the miners want a different sort of union, but that workers want a socialist Labour Government in 1984. Mr. Callaghan will he watching this presidential contest as closely as Mrs.

Letters to the Editor UK: Mr. William Whitelaw, Home Secretary, is principal guest at Westminister Chamber of Commerce luncbeon, Europa

EEC transport policy

From Mr. Amedée Turner QC.

Sir,-I was alarmed to see (June 13) that a select committee of the House of Com. and drive. I do not share in Can they justify the belief that mons on transport has come the extraordinary vendetta they have better foresight than out against Commissioner which the City establishment anyone else? Their track record of intervention in defence of intervention are vague, unclear and well and on lovisible account, bave

the roads leading from them to has recently visited and conthe EEC could and should give financial assistance. Such proposals could do nothing but good for Britain and help redress the balance of the budget. If they were put into future prospects, effect now they could indeed (Sir) Malby S. C. provide the prime means by Town Hall, which the British budgetary in Kensington, W.8. balance could be set right.

I know for a fact that all the local government authorities and the port authorities in East Angha have welcomed with open arms the possibilities of Mr. Burke's initiative: Indeed representatives of all of these were present at a colloquium which he organised in Brussels earlier this month when they put their case to a large gathering of transport experts from set the record straight. over the EEC. One can only deduce therefore that the members of the select com-mittee were out of touch with the views of their electors. vertheless all the Members of Parliament to whom I have

mittee is surprised that non-against untaxed foods for a EEG projects are included. The share of the housewife's purse. reason for this is because some consport problems in the EEC are caused by the intervention of countries, such as Austria, between Germany and Italy and it seems only reasonable that such problems should he within the purview of the schemes be is proposing.

Amédée Turner. Westleton. Saxmundham.

Support for Mr Rowland

From the Chairman, . Investment Sub-Committee, Royal Borough of Kensington and Chelsea

Fhave been lobbied (indirectly) by a Mr. Michael Richardson, the short-run, however, the who, I am told, is a partner in exchange rate is determined in Messrs. Cazenove, acting as asset markets also—by investors' brokers to the Fraser interests, expectations concerning the year a total reduction in the We are supporting Lonrho.

Neither I nor my committee are going to be bectored or countries should intervene to lectured by the leading estab stabilise rates of their long-run education has been reduced by lishment broker. We supported equilibrium. value. Has the no less than 13,475. Marconi Space and Defence Longho in its bid for SUITS, Bretton Woods era not taught and as a result made a large use a lesson? The BIS is ask-above, I am sure Mr. Heseltine Hillend Industrial Estate. capital profit, and indeed we are ing us to have greater faith in will feel that his first year in Hillend, Nr. Dunfermline, Fife.

increasing income.

rague, unclear and well and on invisible account, bave impossible to under been fully and finally cleared banks can do for exchange by the Board of Trade after an markets is to stop confusing I have had a great deal to exhaustive inquiry. I believe them by intervention and by do with these and as far as I that Mr. Rowland should and erratic domestic monetary polican see they are completely will acquire Fraser in the end, cies. Any other policies will plain. He is proposing that any and that this will provide a simply exacerbate fluctuations. transport bottlenecks in the further financial base from Kate Phylaktis, EEC should receive EEC financ- which Mr. Rowland will create Geoffrey E. Wood. ing in proposals for their yet more wealth for the whole amelioration. A typical case is the baven ports of Ipswich, years. I do not believe on the Felixstowe, and Harwich and other hand that Sir Hugh Fraser

has either the ability or the the Midlands, notably the resource to match Lonrho, Al-Mi link, which Mr. Burke whose profits are exploding nphas recently visited and con wards, in making us all richer. sidered to be an ideal example Unlike, apparently, the Richardof the sort of projects to which sons. and Cazenoves of this world, this is, I believe, what private enterprise is all about. Mr. Rowland has our vote because he deserves to bave it, both on past performance and

(Sir) Malby S. Crofton.

on snacks From Mr. R. P. Pearson

Sir,-1 was concerned to see the statement in Gareth Griffiths' article on June 11 that "Foods such as crisps carry zero VAT rating," and write to Potato crisps, shaped snacks and processed puts are all subject to VAT at the atandard

rate, along with a number of other food products. The FMF has consistently lobhied on behalf of snack food spoken about these proposals manufacturers against the appli-have shown considerable cation of VAT to snack food marrest and enthusiasm for products on the grounds that it is illogical and discriminatory. You mention that the com- Snack food competes; directly

> R. P. Pearson, Assistant Director. Product Division Food Manufacturers' 6, Cotherine Street, W1.

Exchange markets From Kate Phylaktis

and Mr. G. Wood. Sir, The Bank for Internationst Settlements' advocacy (June 10) of greater interven-tion in the foreign exchange markets by central banks cannot pass without comment. The BIS recognises that countries with above average inflation rates cannot avoid depreciation of their currencies over the longer Sir,—My fund holds both run. In the long-run the Lonrho and House of Fraser. exchange rate is determined by inflation rate differentials. In

running a large profit on our the judgment of Governments office will not have been un-Lonrbo bolding, apart from than in the judgments of other productive. benefiting from the ever-market participants about John Stevenson. whether a given exchange rate Sir Hugb Fraser is a charm- will be the ultimate equilibrium ing and intelligent man, but he one. What pool of wisdom is is not in the same league as Mr. drawn on by central banks which Rowland in entrepreneurial skill is not available to other people?

Centre for Banking and International Finance. The City University. Northampton Square, EC1.

Inaccurate tax assessments

From the General Secretory, Inland Revenue Staff Federation Sir,-Mr. Penwill (June 11), like so many accountants and, indeed, past senior officials of jumps automatically to the conclusion that the only serious work in the Revenue relates to Schedule D assessments.

our present troubles.

In fact, none of the figures they referred to PAYE and Schedule E assessments. PAYE now provides II times the tax of Schedule D hat it has only Hillend, Fife, in 1967 with 47 recently commanded the attention which it deserves.

It would be fascinating to have Mr. Penwill's explanation for the relatively low Schedule D yield. Tony Christopher,

Inland Revenue Staff Federation. 7, St. George's Square, SW1.

Local authority manpower From the Secretary, Association

of County Councils Sir,—I was interested to read (June 16) Robin Pauley's interpretation, of the latest local government manpower figures. While it is true that there has been a reduction of the numbers of local authority staff of 0.8 per cent between March, 1979, and March, 1980, It is not true that three-quarters of county councila bave not made reductions. When the figures are published it will he seen that of the 47 shire counties, 31 have made reductions in their full-time staff. The shire counties will be shown to bave made a reduc-tion of 1.5 per cent in the numbers employed—a total re-duction of 17,523 ataff over the

Neither is it true that teachers' numbers are not decreasing significantly. figures show that in education there bas been over the past future exchange rate.

number of teachers employed
The BIS is suggesting that of over 5,000, and that the number of teachers employed number of non-teaching staff in

Association of County Councils, Eaton House. 66a, Eoton Square. SW1.

The NEB stake

Sir,-The Scottish Office encouragement to local financial institutions to purchase the National Enterprise Board 50 per cent stake in Ferranti bas been given much coverage recently, for what appears to us to be the wrong reasons.

rationalisation with the loss of jobs in Scotland would take place only because Ferranti was taken over by another electronics company. If rationalisation is required as a result of too many people chasing too few contracts, then this will happen whether the 50 per cent NEB holding In Ferranti is purchased by individuals, Scottish finaocial institutions or large UK elec-trical groups. If, under these circumstances, rationalisation did not take place, the new in-Inland Revenue, who should vestors might well be forced to certainly have known hetter, turn to the Government for further subsidies. It bas also been implied that the employ-ment record of large UK electriaccounts and to cal groups in Scotland has not heloed the Scottish economy. In It is this elitist approach fact, the GEC-Marconi Elecwhich is proving, in my opinion, tronics Group has been so to have heen a significant consuccessful in providing employtribution to at least some of ment in Scotland, and narticuhave earned the right to expect given by Sir Lawrence Airey a more positive attitude from related to Schedule D at all—the Scottish Office and from the

community as a whole. Marconi Space and Defence Systems established a plant in 2.400. Our operation bas now he come the largest private employer in the region, with a major commitment to research and development in Scotland. The research and development operation in Fife is some 800 strong, of whom approximately 350 are professionally qualified scientists, mathematiciana and electronics engineers. Our ability to grow further, and hence provide even more employment in the area, is governed by our ability more professional enginers. We are currently actively seeking a further 50-100 people with professional skills. We are also conscious of our

social responsibilities to Scotland. Our policies of employing mentally handicapped youngsters and our local involvement with schools and colleges amply demonstrate this. Our activities, in conjunction with the Manpower Services Commission, in expanding the joh opportunities for young people were justifiably welcomed recently by Mr. Alex Fletcher, MP. Minister for Industry and Education at the Scottish Office during his visit to our unit.

The recently expressed doubts about large UK electrical groups in Scotland, by the Scottish Office and certain Scottisb MPs in the light of our success in Scotland, is a matter of deep concern to us and we trust that this letter will help redress the balance. T. M. James.

D. S. Gruneberg,

Today's Events

Financial Times two-day Euro-pean Offshore in the 1980s con-

ference opens at Grosvenor
House, Park Lane, London:
speakers include Mr. David
Howell, Secretary for Eoergy,
and Mr. Harld Norvik, Deputy Honse of Commons: Debate on Ferranti, Opposed private husl-ness will be taken at 7pm. After-wards, consideration of Lords Amendments to the Industry Minister for Petroleum and

Overseas: Mr. Francisco Sa Carneiro, Portuguese Prime House of Lords: Debate on the Sinister, begins two-day visit to principle of comparability in wage settlements. Coroners Blii.

Mr. Reza Salimi, Iran's second reading. Licensing Minister, begins two-day visit to

Economy and Finance Minister, (Amendment) (No. 2) Bill, continues visit to Moscow for talks on price of Iranian gas future of the Development Compiped to the Soviet Caucusus.

European Parliament in session, Strasbourg.

PARLIAMENTARY BUSINESS

Hence of Committees: Foreign Affairs. Snbject: effects of Parliament Debate on Mission.

Affairs. Subject: effects of British foreign policy on Soviet expansion in Afghanistan, Witness: Lord Home of the Hirsel [Room 15, 10.30 am). Energy. Subject: Government's statement on the nuclear power programme. Witnesses: Mr. Wedgwood Friends of the Earth (Room 8, proners Bill, 10.45 am). Industry and Trade. Licensing Subject: import and export

Witnesses: Enterprise Board, (Room 16, 10.45 am). Accounts. Subject (11: disposat of Effra site, Vauxhall; (2): installation facilities. Witnesses: (1) Property Services Agy. (2): Scottish Development Department (Room 16, 4 pm). Transport. Subject: Channel link, Witnesses: Eurobridge Project (Room 17, 4.15 pm). Treasury and Civil Service Department. Witness: Sir Robert Armstrong. OFFICIAL STATISTICS

Indices of 'average earnings (April) and basic rates of wages COMPANY MEETINGS

uur iirsts nave lasting effects

1653 First free public library in Europs.

First successful run of a stored computer

First artificial splitting of the atom. by

First inland city to become major seaport by

1929 First municipal airport in Britain.

First working smokeless zone in Britain.

First British city to hold its own industrial and commercial exhibition in Brussels.



To: Jack Hadwen, M. Inst.M., Director, Industrial Development Unit, City of Manchester, Town

Hall, Manchester M60 2LA, England.

DIVIDENDS ANNOUNCED

payment payment

Aug. 7 Oct. 1

Aug. 8

July 30 July 12

Aug. 8

Dividends shown pence per share net except where otherwise stated.
*Equivalent efter allowing for scrip issue. † On capital increased by rights and/or acquisition issues. ‡ Includes special interim of 0.434p.

1.53 1.38*

2811

Current

1.0

3.56

Beechwood Constructn. 1.58 Westbrick Products ... 2.25

Country & New Town 0.55

Nthn. Goldsmiths 2.4 Prop. & Reversionary 1.55 Robertson Foods 4.93

Thregmorton Trust int. 2.25

Bradford Property

GEI Intl. Hazlewood Foods Home Breweryint

P. Brotherhood

eter Brotherhood nds with £0.88m loss and pays 1p

Peter Brotherhood, machinery and power plant manufacturer, with a pre-tax deficit of £885,000 for the year to March 31, 1980, compared with profits of £12,000 previously. Midway, the group turned in £763,000 losses, against £133,000 profits.

4.6063b. They say the results do not support a higher payment but would hope a continuation of the recovery now under way will enable iocreased dividends

to be paid for 1980-81.
On the current period, they say the order book is running at an encouraging level above last year. In addition, there are a number of substantial contracts being negotiated. Increased throoghput and

improved productivity in the second half resulted in a trading profit of £268,000 for that period, before charging £133,000 redundancy costs, compared with a loss of £8,000 to the first six months, before exceptional and non-recurring items.

Interest charges rose from £275,000 to £482,000 for the year.

A tax credit of £1.05m (£53,000) eoabled the group to

report net profits up from £65,000 to £167,000.

The reduction in overheads of The reduction in overheads of £500,000 a year forecast to the interim statement bas been achieved, the directors say, and borrowing reduced to £1.6m (£2.9m) at March 31.

Cashn taken out of previously onerous inventories has cut to £172,870 and associates' connverdrafts by £1.3m and the tributions showed a turnround re-constituted board is making strenuous efforts to improve the stock-turn further. An injection £33,148. Tax charge was \$10.65 more purely late the previous of £33,148. Tax charge was \$10.65 more purely late the previous strenuous efforts to improve the stock-turn further. An injection \$2.65 m (£2.4m). of more muscle into the marketmarine turbine market since per 25p sbare.

full novigational equipment.

SUBSTANTIALLY REDUCED about the turn of the calendar GEI International, the engineer-losses in the second half left year is more than enough to ing concern rose from £5.15m to weakness in petrochemical activity riding impression The overriding impression is that Brotherhood did not need savage pruning so much as a determined tightening up all round, gearing was never particularly

alarming and the balance shect looks reasonably comintable The directors are recommending a final of 1p net, baving omitted the interim—last year's total was 6.4488p, with a final of the control of th tangible signs of an upturn in good beart yesterday with a 5p rise to 71p. Certainly, payment of a nominal dividend was rather more than anticipated at this stage but the first real test will be the interim distribution bia year. It may be worth noting that a destoration of the 1978-79 payment would yield almost 13 per cent which is not so far out of with companies whose dividend-paying capacity

has oever been seriously ques

Bradford Property improves

Property Trust, property dealing and investment group, climbed from £4.67m to £5.43m for the year ended April 5, 1980, with £2.45m, against £2.4m, coming to the first six months.

Comment

The chairman that Peter Brotherhood bopes to appoint within the next few weeks will find the group several important to £3.39m, but investment and the group several important to £3.39m, but investment and the group several important to £3.39m. find the group several important panies profits were lower at strides along the recovery path. f99,223 (£129,372).

A net final dividend of 1.65p ing effort bas raised order effectively increases the total levels and the strength of the payment from 3.1663p to 3.25p

GEI reaches £6.8m but expects tougher trading

tribution of £1.05m from Sanderaon Kayser, pre-tax profits of a record £6.52m in the year ended March 31, 1980. Turnover was up from £51.34m to £64.95m. Mr. Tom Kenny, chairman, says however, that the group faces a difficult time over the current trading period." The outlook is oot good," he warns and for the interim period, "I doubt if we will see profit growth in terms of earnings per share." Pre-tax earnings per share in 1979-80 are stated as 22.9p (23.8p) basic and 19.4p (22p)

fully diluted. A final dividend of 3.555p lifts the total from 4.628p to 5.315p.

The increased profits were achieved in spile of the effects of the steel and engineering strikes which cost about 1750,000 in lost profit. The chairman points ont that is not practical to measure the effects in precise terms, but says this figure would not be seriously adrift.

The Sanderson Kayser contribution was infloenced by special gains of £226,000 which may not recur, the chairman

Most of the subsidiaries improved profits but Purdy, part of the packaging division, locurred a £225,000 loss. This offabout was expected to be back to profit this year Despite all the problems, the chairman expects the group to do better than most. Group

match the £2.5m spent last year and will ooce again be spread throughout all operations. At March 31, 1980, the group bad net casb and Government securities of £7.7m. Net current assets increased by 42 per cent to £21m while net tangible assets

up 21 per cent and is expected

from the sale of ebares in Pro-perty Holding and lovestment

Trust, amounting to £3.144m bas

produced an abnormal increase

prising £3.16m profit on disposal

of quoted investments bave been transferred to capital

The group's freehold and

in the year's profit, even exclud-

debit) mainly com-

capital expenditure will at least

HIGHLIGHTS

Lex discusses the large vendor placing in Pilkington shares following the float-glass manufacturer's acquisition of European capacity. The column also looks at the depressing level of unit trust sales, the effect on North Sea gas producers of modifying the state monopoly and the new accounting standard relating to post-balance sheet events. Elsewhere, the quotation of Polly Peck has been suspended pending the announcement of the group's expansion plans. Hazelwood is proposing to launch a rights issue later this week when the share price reaction to the latest figures has been properly assessed. bertson Foods pushed profits ahead by a quarter last year and is now in negotiations to sell its Quantock division to a Swiss company. The resbaped Board of Peter Brotherhood has achieved the first signs of a recovery and expects to appoint a non-executive chairman in the near future.

amounted to 95.8p per abare (\$0p).

comment

In the world of UK engineering companies It is no mean feat to retain a cash balance of nearly m (including £1.2m of gilts) and an average pre-tax growth rate of 25 per cent since 1975. These are the two attributes which make GEI an unusually strong group. Stripping out the first time seven-month cootribu-tion from Sanderson Kayaer, however, profits actually dropped by 6.3 per cent. But GEI was hit by the steel and engineering strikes and earnings at Midlends Steel Products fell from £3.1m to £2.5m. In the packaging business, the Purdy loss should be corrected this year. The be corrected this year. current year will not be easy and an unimpressive interim ahowing seems to be on the cards. At 79p, the yield stands

at 10 per cent and the p/e on fully taxed and diluted earnings

Property & Reversionary Inv.

profit jumps 49% to £1.9m

Country & **New Town** at £2.2m

INCLUDING a surplus on the realisation of assets amounting to £1.73m against £0.32m, pre-tax profits of Country and New Town Preperties jumped from £783,443 to £2.2m in the year ended January 31, 1980.

Earnings, after tax of £586,464 (£245,293) are shown up from 1.25p to 2.82p and the net dividend is increased by 0.1p to 0.75p with a final of 0.55p.

Extraordinary debits of £667,638 (£222,061), transfers from capital reserves of £607,903 (£222,061), and minorities profits of £657,624 (£212,069) leave the net surplus at £893,811 (£326,081) which dividends

Interest rates

on yearlings

down further

The interest rate on this week's

issue of local authority yearling bonds is a new low for the year,

14; per cent, down } from the

previous low point last week. Issued at par, they are redeem-

The issues are: Borough of Milton Keynes (£0.5m); South

Hams DC (£0.5m); Calderdale

Metropolitan BC (£0.25m); Chorley BC (£0.25m); Hambleton DC

(£0.5m); Cumbernauld & Kilsyth

DC (£0.25m); Borough of Lilw

Ynys Mon—Isle of Anglesey BC (£0.5m); East Lindsey DC (£0.5m); Torfaen BC (£0.25m); Fareham BC (£0.25m); Monk-lands DC (£0.5m); City of Dundee

DC (£0.5m); Renfrew DC (£1m).

Metropolitan Borough of Sandwell (£1m); Congleton BC (£0.4m); Lothian RC (£1m); Sefton Metropolitan BC (£0.75m); Copeland BC (£0.5m); London Borough of Hammersmith and Fulbam (£0.5m); Hart DC

Strathclyde RC (fim); Bed-

fordshire CC (£0.75m); Inverness

able on June 24, 1981.

Valley (£0.15m).

Westbrick moves ahead to £752,000

FOLLOWING THE first-half advance from £344,000 to £395,000, ducts reached £752,000 for the year ended March 31, 1980, compared with £597,000. Turnover of this maker of bricks, engineering plastics and concrete pro-ducts, increased from £12.87m to

The board expects the com-pany to maintain its market posi-tion throughout the remainder of

After tax of £237,000 (£186,000) earnings per 25p share rose by 2.2p to 12.3p. A net final divi-dend of 2.25p lifts the total pay-ment from 3p to 3.75p per share The board says there has been

an improvement in the balance abeet, where sharahnlders funds have increased by £0.9m. Borrowings bave been reduced from £1.2m to £0.8m, assisted by a positive cash inflow from trading operations for the second consecutive year.

Term loans of £345,000 have

been repaid and gearing has been reduced to 18.1 per cent of sbareholders' funds, compared with 29.5 per cent last year and 39.7 per cent two years ago,

Sharp decline for Private Patients Plan

A 39 per cent rise in benefit payments, compared with only a 17 par cent increase in subscription income, results in pre-tax profits of Private Patient Plan eing halved in 1979.

Subscription income approaching £28m was a record for PPP, the second largest medical insurance company in the UK. But benefits payments at nearly £21m was also a record and amounted to 75 per cent of subscriptions. Pre-tax profits amounted to £4.6m, compared with £7.8m, and the excess of income over expenditure was £3.6m against

Mr. John Phillips, in his chairman's statement, pointed out that the company beld its general subscription rates unchanged for three years, yet it was still able to return a substantial surplus. The company's general reserves now stand at over £19m, but rates will be increased this year.

PPP bad a record rise in the number of people covered by medical insurance during 1979. with membership at the year-end reaching 267,294—an increase of

Mr. Phillips refers to the striking growth in company-paid schemes despite the tax assessment imposed on employees regardless of their earnings. He calls on the Government to remove completely private health insurance subscriptions from the scope of benefit-in-kind tax pro-

finishes £3.28m down

Pre-tax profits of Blackwood Hodge (Nigeria), an associate of the British-based earthmoving salea and service group, fell in 1979 from Naira 5.28m (£4.21m) to N1.17m (£0.93m). Turnover was down 39 per cent from N32.72m to N19.99m.
Taxation took N617.579 (N2.34m). A dividend of 3.1 kobn is proposed, and earn

ings per share are stated 5.1k (27.2k).

Hazlewood Foods rises 37% and plans £1m rights

Hazlewood Foods, vegetable pro-cessor and sauce maker, bas announced 1980 pre-tax profits 37 per cent ahead at £712,000 (£521,000), and plans a £1m rights issue at the end of this

New acquisitions Moor Rose and Samuel Moore made partyear contributions totalling £33,000. The Board anticipates profits growth in two to three years, from the companies which bring jams and onion processing to the group's operations.

to the group a operations.

Turnover for the year was 36 per cent ahead at £83m. The final dividend of £35p makes a total of 6p net per share, against 4p in the previous year. Fully-diluted earnings per share are stated as 15.7p (11.5p).

The Board says the group is henefiting from a now-completed

benefiting from a now-completed five-year investment programme in plant eutomation. It expects the current year to see further. consolidation of group busines The rights issue is intended to finance the increased working capital requirements of the expanding group, whose indebtedness now totals £2.4m against shareholders funds of

The terms of the rights issue will be announced at the end

of this week, when the Board and underwriters, Laurence Prust, have seen market reaction to yesterday's results. The directors, who hold over 60 per cent of the share capital, will-not be taking up their rights, A 7p net dividend for the year is forecast on the screased capital.

• comment Hazlewood's motives for seeking. The net asset valingles money are admirably is 108.80 (104.9p).

invested five years of cashflow in more efficient plant and acquisitions with expansion potential, and now needs that working capital to match the widening trading bese. The terms have not yet been settled, but with 4.2m shares in issue and film sought, a one-for-two at 50p should do the trick. If that proves the case, then with the characteristic and indicate the ch with the share currently trading 7p up at 85p, the ex-rights yield on the forecast dividend would be a spanking 14 per cent Haziewood currently has about 15 per cent of the UK market for its products, with negligible exports, so there is some growth potential. With the shares trading on multiple of 5 en stated diluted earnings, and little tax liability in sight for the coming year, sentiment looks cautious. But the freer market afforded by the issue could stimulate

Throgmorton Trust ahead at halfway

An increase of £103,020 to £1.65m in pre-tax revenue is reported by Throgmorton Trust for the half-year ended May 31, Tax paid drops from £530,029 to £508,291.

The interim dividend, at 2.25p, remains unchanged on earnings per share up from 2.31p to 2.61p.

The net asset value per share

EUROPEAN OPTIONS EXCHANGE Vol. | Last | Vol. | Last | Vol. | Last | Stock F.293 69 F.84.40 302 7.60 0.70 2.30 · 🚘 ·

12 | SA & | 6 | 11 am 6,50 1,10 4,70 F.51.20 . 1 G 5,60 1,50 0,50 9,30 19 10,10 4,50 10 -5 -5 -4 -23 -58 -206 0,10 4,50 7.50 F.167.80 50 150 240 5 11 37 TOTAL VOLUME IN CONTRACTS

Excluding property acquired Shareholders in Midland during the year, the increase is Industries, enginers and repetitive result in value, 80 per cent are free too dissatisfied with the result in value, 80 per cent are free-

£(10.000

Airsprung
Armitage and Rhodes...
Bardon Hill 15.3 5.0 7.9 12.8 16.5 6.0 7.9 31.3 15.1 i Accounts prepared under provisions of SSAP 15.

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leasehold properties have been revalued as at March 31, 1980, by Savills in conjunction with H. I. and A. Rubens. The valuers bave placed a figure of £40.41m on the properties, an increase of 19 per cent over the previous

General Accident is interested in 24.41 per cent of the com-pany's share capital and Mr. Charles Rubens, 7.46 per cent.

Year ended

PROFITS before tax of the Property and Reversionary Investment Corporation rose by 49 and A. Rubens, chartered surinterest rates have forced board per cent from £1.26m to £1.88m veyor to employ them as in the year ended March 31, managers and sole agents for 10 1980. Net income from rents is years from January 1, 1979. to delay further expansion at its Bingley foundry.

The partners in H. L and A. to rise by about 10 per cent in Rubens are Mr. Alfred Rubens the current year.

Rubens are Mr. Alfred Rubens and Mr. Keoneth David Rubens, Stated earnings per sbare are up from 3.2p to 4.5p and a final dividend of 1.55p effectively lifts the total from 2.04p to 2.55p.

Mr. A. Rubens, chalrman, says the investment of the proceeds directors of the holding company and of subsidiary companies and Mr. Michael Brilling who was recently appointed to the board of one subsidiary.

A register of directors' share-holdings, a statement of the directors' share transactions and a copy of the agreement with H. L and A. Rubens are avail-able for inspection at the ing a substantial amount of registered office of the company interest which falls due after during business hours on any weekday until the day of the The profit on the sbare sale AGM when they will be available has been transferred to capital for inspection 15 minutes prior Extraordinary credits of £3.15m to the meeting and during the meeting.

Meeting, Albany House, Petty France, S.W., July 11, at noon. Only ordinary sharebolders are entitled to attend this meeting and vote either in person or by

Midland Ind. set to expand

hold and a further 15 per cent of the group for the first six are leaseholds over 100 years.

General Accident is interested man, Mr. E. C. Marsland, told the AGM, yesterday. The company is poised for further expansion and, in this

Five years

DC (£0.5m); Newbury DC (£0.25); Oldham Metropotitan BC (£1m); Sunderland BC (£1m); Tamworth BC (£0.5m).

RESULTS AND ACCOUNTS IN BRIEF BARR & WALLACE ARNOLD TRUST (lelaure, morer distribution, computer)
—Resolts for 1979 reported May 15.
Shareholders' lunda £7.97m (£7.63m).
Loans £1.37m (£51.275). Bask overdrafts £3.65m (£1.77m1. Future capital appanditure £3.3m (£1.68m). Mistoric profit of £1.19m (£2.45m) redrafts £3.65m (£1.83m) on £3.50m.

Devalopment Agency holds £8.38 perduced to £1.08m (£1.83m) on £2.45m.

Loans £1.09m (£1.83m) on £2.45m.

Devalopment Agency holds £8.38 perduced to £1.08m (£1.83m) on £2.45m.

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Devalopment Agency holds £8.38 perduced to £1.08m (£1.83m) on £2.45m.

Loans £1.09m (£1.09m) (£1.09m)

Loans £1.09m (£1.09m BARR & WALLACE ARNOLD TRUST (lelaure, morar distribution, computer)—Resolts for 1979 reported May 15. Shereholders' lunds £7.97m (£7.65m). Loens £1.37m (£512.175). Bank overderls £3.65m (£1.77m). Feture capital expanditure £3.3m (£1.68m). Historic pre-fax profit of £1.98m (£2.45m) reduced to £1.06m (£1.89m) on CCA basis. Meeting, Leeds, July 4, noon. HIELD BROTHERS (Worsted cloth manufacturers and implients)—Results for year to March 30 reported May 24. Shareholders' lunde C2.98m [C2.97m], medium-term loans £148,000 (£283,000), bank overdrel1 n? (£385,000), bank

sharenoiders' lunde £2.98m (£2.97m), medium-term loans £145,000 (£283,000), bank overdrell nil (£285,000) (£7.000), bank overdrell nil (£285,000), benk balances and cash £68,000 (£7.000). Meating, Bradford, July 9, neon. LONDON SUMATRA PLANTATIONS—Results for 1979 elready known. Shere-holders' lunds £17.52m (£14.29m) bank overdraft £1.27m (£1.89m), bank loans £4.35,837 (£4.75,117), bank balances and cash £0.85m (£1.17m). Harrisone and crosfield holds 45.8 par cant. Chairmen looks furward to another autoessalul year, wirh gradually increasing yields from extensive rubber replanting in the coming years. Meeting, The eatic Exchange, London £C, July 9 at 11.30 sm. 11 17.30 sm. WARNFORD INVESTMENTS—Results WARNFORD INVESTMENTS—Results for 1879 circady reported. Property 57.06m (57.08m). Short-dared stocks at cost (2.01m (£488.317). Bank belances, money et cell and short norice (2.56m (£2.56m). Capital reserve (3.01m (£2.24m). Retained reserve (2.42m (£2.36m). Chairman says increased investment income with higher rental income from already contributed losses should ensure continued

221 251 215 212 June 17
Banco Bribeo
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Banco Exterior
Banco Hiapano
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Banco Madrid
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Banco Viguijo 122 141 282 155 228 200 83 Fatsa Gal, President

107 58 65

pieted locaes snowld ensure const Progress in current year. Meeting, 20 Aldermanbury, EC, August 6 st 3 pm. -W. WILLIAMS AND 20NS (HOLD-

YOUNG AND COMPANY'S BREWERY —Results for year to March 31, reported Mey 30. Shereholders' tunds: E14.05m (£12.83m). Loans £1.4m (£0.2m). Bank overdraft £1.31m (£0.7m). Meeting. West Centre Hotel. SWB, July &, coon.

THE THROGMORTON TRUST LIMITED Interim Revenue statement

The Board of ectors have pleasure in amounting the unaudited Bevenue figures of the Company to. he six months ended 31st May, 1980.

		nonths months 1.5.79 to 30.11.79	į.
		9,916 4,035,729 4,434 392,402	
		5,482 3,643,327 9,029 1,164,140	
Less: Preference dividend		5,453 2,479,187 8,063 76,125	
a ,	194,148 £ 97	7,390 £2,403,062	:
EARNINGS PER SHARE	2.61p	2.31p 5.69p	,
ORDINARY DIVIDENDS—pence per share Interim 225p (1979—2.25p) Final — (1978—3.30p)	950,422 95	950,432 - 1,393,967	
y 🛍	9 50,433 £ 95	0,432 £2,344,399	•
Unappropriated Revenue c/fwd	898,050 £ 71	2,829 £ 744,334	
NET ASSET VALUE PER SHARE		19.4p 104.9p	

N.B. At a meeting of the Board of Directors today it was resolved that an interim dividend of 2.25p (1979—2.25p) be paid on 8th August 1980, in respect of the year to 30th November 1980, to shareholders on the register as at 10th July, 1980. The administration and interest charge of £255,715 includes some of the nonrecurring expenses incurred upon the acquisition of Capital For Industry Limited. 17th June 1980.

The Nineteen Twenty-Eight **Investment Trust Limited**

The Rt. Hon. Viscount Bearsted, T.D., D.L. (Chairman) Bryan R. Basset (Deputy Chairman) Douglas S. Allison Christopher A. Keeley, F.C.A. Brian A. C. Whitmee, F.C.A. John S. K. Oram Anthony P. Simonian Sir John King

	31.3.80	ended 31.3.80
Performance statistics	%	%
Net asset value	15	+4 9
Widdle market price (Stock Exchange Oaily Official List)	16	+57
Rate of dividends (net) (excluding special dividend for 1979/80)	+16	÷106
Retail Price Index	+20	÷103
Distribution of investments at 31st Ma	arch 1980	
Equities and convertibles		
U.K.		681%
Overseas		27½%

Extracts from the Chairman's statement

Fixed income

During the past two or three years we have reduced our North American investments partly to secure the dollar premium. Now that Exchange Controls have been abolished our present policy is gradually to increase our North American portfolio.

We expect to be able to increase the rate of annual dividend for the current year.

Copies of the Report and Accounts can be obtained from Philip Hill (Management) Limited, 1 Brewer's Green, Buckingham Gate, London SW1H 0RB.



Robertson Foods growth slows in second six months

A SLOWDOWN in the second half meant that Robertson Foods inished the year to March 31. BOARD MEETINGS 1980. with taxable profits 1509,000 higher at £2.55m. Mid-

50.14m to £52.58m. Interest pose to £1.63m (£1.02m).

Trading in the 'group's tradificult and will continue to be difficult and will continue to be difficult.

Trading in the 'group's tradificult and will continue to be difficult and will continue to be difficult.

Tonay

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Interest.

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Interest. o during the forthcoming ecession as its customers fight or market share at the expense if hoth their own margins and

arectors say. However, both Viota Foods in reakfast cereals and Unicar loods in home brewing products and a very successful year. Over eas, satisfactory progress was een at the French canning sub-idiary and the associate in

hose of the manufacturers, the

Tha UK export marketing-com my faces a continuing problem the the strong pound, the directors say, but they expect it will keak even in the current year. James Robertson and Sons Presive Manufacturers the major Starling Industries June 12 midiary—is undergoing pajor reorganisation involving te closure of its Bristol fac-try, they state. The reshape is roceeding on schedule and will completed in the autumn, foliwing which the Bristol site will e prepared for sale. The benefits will hegin to flow

prough in the current year but in not be fully felt until Capital expenditure for the four's future prosperity will bt-be reduced despite the fact at it is essential tight controls the use of cash in subsidiaries

mate, they add. The net total dividend is ghtly higher at 6.33p ightly: higher at 6.33p 12974p), with a final of 4.93p, ated earnings per 25p share e up from 11.82p/ to 20.62p

The pruning process must

nead i

vay

in and in the second

otinue at Robertson Foods, espite the rise of a quarter in seas ope maintaine elicately poised for the sale of te group's Quantock division to erber Foods. The disposal build he ironic since Quantock Robertson's up-market division

1509,000 higher at £2.55m. Midway, the prestar surplus rose by 1554,000 to £1.12m, and the lirectors expected a substantial mprovement in the full-year sutcome.

Turnover increased from 280.14m fo £84.88m. Interest 100.000 higher at £2.55m. Turnover 152.63m (£1.02m).

Finals: Affiance investment, Ariel Industries, Call and Sime, Atsichi Tin. Brownles, Downs Surgicel, Meurice Jamas Industries, Johnson Matthew, Tasco Stores Tranwood, Triplex Foundries, J. W. Wassell.

0	FUTURE DATES	
	interime—	
D.	Crear Nichelson	June 15
S	Dentaply International	Juna 20
•	Ladies Pride Butarwest	July 15
6	Whatlings J.	June 26
	Finals-	
۲	Attwood Garages	June 20
Д	Retievs of Yorkshire	July 3
	Brengreen,;	
!-	Electrocomponenta	June 26
		July 4
a.		
_	Levex	June 24
	Norcros	June 27
1	Redland	June 26
	Reneld	June 26
		July 1
,	Rexmore	July 1

canning operations have been eating up cash and the whole operation is showing no profit. Most important, the group's balance sheet indicates gearing of around 75 per cant and the position would be much improved by the sale. The slimming down process is already well underway. Jam producing capacity has been cut by the closure of the Bristol plant which produced an extraordinary debit of £1.1m last year and may intinne in the current economic cost a further film in 1980. Offsetting this to an extent is an expected book surplus of around £0.5m on the sala of the plant. The benefits of the rationalisation should hegin to appear by next year but the volume jam ter a substantially lower tax market remains difficult. The arge of £142,000 (£657,000). fully taxed p/e of 10.8 at 117p is assumming a lot of the expansion of the profitable cereals division and the scope to lift returns from exports and over seas operations. The roughly maintained dividend yields 8.1

TRIPLEVEST

Net asset value per £1 capital ad this is the area of the food share of Triplevest, investment tarket currently producing trust, amounted to 360p as at seful margins and showing May 31, 1980. This compares with sme growth. Yet Quantock's 401p as at February 28.

Polly Peck requests temporary suspension

announcement. This will relate to an expansion of the group's activities, but no details were

The company's shares have attracted considerable specula-tive interest recently, particu-larly in the past week, which has seen its market price rise by 15p to 71p at the end of the week. On Monday, the price gained another 12p to close at 83p, valuing the company at £4.3m in the market.

This is a 1980 bigh for Polly Peck, whose shares bad been languishing at 6p in January this year hefore announcement of a takeover offer in February hy Jersey-hased Restro Investments for all of its issued capital at 9p a share.

Restro is a private investment company controlled by Mr. Asll Nsdir, chairman and managing director of clothes wholesaling group Wearwell. The hid was successful, and left Restro with a controlling 59 per cent interest in Polly

Restro expressed its intention at the time to maintain and develop the business of Polly The share suspension is thought to precede Peck's acquisition of another business.
Polly Peck's profit touched a high of £323,000 in 1974. But difficult trading conditions have led to dactining profits over the past few years, with the company sinking into a loss of £22,000 last

year. It incurred a further loss

LADIES FASHION group Polly of £29,000 for the half-year to to cease acting as a market-Peck (Boldings) yesterday requested a tamporary suspension of its shares pending an Apart from the manufacture of (EOE), it will sell ita 50 per ladies clothing, Polly Peck also operates a chain of 33 "shops within a shop" in established groups auch as Debenhams and House of Fraser.

Grand Met has 83% of Liggett

Grand Metropolitan now owns 33.2 per cent of the general voying power of the Liggett

Grand Met intends to propose to Liggett a merger or a wholly-owned subsidiary of GM subsidiary corporation with aod into Liggett pursuant to which Liggett would be the surviving corporation. Holders of shares of Liggett's common stock, convertible preference stock and 7 per cent preferred stock, other would receive \$69 cash per share per share of convertible preference stock and \$70 cash per share of 7 per cent preferred

stock It is proposed that the merge which would require approval of Liggett's sbareholders, be consumated in early August.

the London-based stockjobber, is

cent stake in EOE subsidiary Wedd Smith BV to its equal partner in the venture, Smith

Wedd plans to apply for floorhroking membership of EOE, hut cannot do so by market rulea while participating in a market-making company. Mr. Grsham Ferguson, a Wedd partner, says the move will give his company a lower profile in the Amster-dam market dam market.

Market-makers are obliged to make a market on the trading

floor. Floor-brokers may deal in the msrket at will. Wedd Smith has been only marginally profitable, said Mr. Ferguson, and the cash consider-tion in the transaction will be Mr. David Wenman, Wedd's

EOE representative, will move to Chicago. CROUCH AND CHI

JOINT VENTURE Cronch Group and C. H. Industrials have formed a jointly

owned company, Codec (GRC), to manufacture and sell glassreinforced cement products.

SLATER CONFIRMS ACQUISITION

Mr. Jim Slater has confirmed WEDD/SMITH

Wedd Durlacher Mordannt, he London-based stockjobber, is water fast confined that through Strongmead, his private property company, be bas acquired 12.49 per cent of Laganvale Estate, a quoted property

concern.
Mereghyll Investments, operat-

Interest in Singer & Friedlander

BIDS AND DEALS

Several possible purchasers have indicated an interest in taking over Singer and Friedlander, the small City accepting bouse which is part of the C. T. Bowring group recently acquired by Marsh and McLennan of the

Marsh and McLennan has stated publicly that it wants to dispose of the merchant hank. Parties which have indicated an interest range from hanks in the UK and overseas, to indus-trial and commercial companies also from the UK and overseas. Among them is Littlewoods Organisation, the family-owned retailing and pools company. Singer and Friedlander directors are now hopeful that the bank's future will be decided

QUEST AUTOMATION ACQUISITION

Quest Automation bas acquired Computer Instrumentation from University Computing Company

sbares at 564p non-assented on behalf of Ewer.

Berger, Johnson and Nicholson has bought 25,000 A. G. Stanley shares, making its holding 3.06m

shares (12.1 per cent). Mr. M. J.

Stanley, chairman, has sold 125,000 sbares, leaving his bold-ing 2,08m sbares (8.25 per cent).

A. G. STANLEY

before Christmas.

Wylie Corp. Inc. of Dallas, Texas. The consideration is 1.32m ing through a nominee account at shares—not ranking for the pro-Lloyds Bank in Jersey, has posed scrip issue—which are reduced its stake to 6.4 per cent. A further 1.05 per cent is held by Mr. Stratton Mills, one of Laurangele's directors. hroadly-hased electronics com-pany and in 1979 had turoover

before deferred tax of £63,000

HoJo takeover completed

Imperial Group, tha UK brewing and foods group, has com-pleted its \$630m (£270m) take-over of Howard Johnson, the U.S. restaurant and motel chain. The acquisition, which bas bad to run the gamut of approvals by the liquor authorities of the 40 atates in which HoJo operates, took effect from last night.

HoJo will continue as a separate operating company in the Imperial Group with its present A substantial minority interest management.

The following proposed merger is not to be referred to the Monopolies Commission: Sears/
A substantial minority interest in Asprey.

English Assoc. to maintain oil stake

The English Association Finance Company aims to keep the links of Steana Romana (British), for which it has made a £205,000 offer, with the oil industry by acquiring interests in oil exporation or production projects and other extractive induatries in the UK and abroad. The new board is to consider taking part with others in applications for the seventh round of offshore petroleum production licencing on the UK continental shelf. It may also acquire interests in nil exploration and production in north America and

NO PROBE

SHARE STAKES

Strond Riley Drummend— options.

B. S. Levi, director, has taken W. H. Smith and Son (Hold-up his entitlement under comings)—Viscount Hamhleden as making its holding 29.99 per cent).

Britannia Arrow Holdingstrol Securities has purchased a further 137,000 ordinary sbares, bringing its total bolding to 1.484,500 representing 10.86 per cent of the equity.

Edinburgh General Insurance Services—London Trust, the Investment group, now holds 9.2 per cent of Edinburgh General, in which the U.S. agriculture and insurance group, Cook Industries, acquired a near 30 per cent stake late in May. The shares had been held by Mr. Graham Ferguson Lacey. F. Miller (Textiles)—Aber-

ordinary shares making holding 550,000 (5.09 per cent). vestment Office has acquired ments 156,000 abares (7.03 per 70,000 ordinary sbares making cent) and Parit Perak Holdings holding 2,202,500 (6.791 per Berhad 7,500 shares (0.33 per holding 2,202,500 (6.791 per

deen Trust has acquired 120,000

Chubb and Son-Kuwait Investment Office has acquired an interest in 400,000 ordinary shares making total 5,706,250.
MEPC—C. J. Benson, director, has disposed of 55,000 shares at

pany incentive scheme, of 65,002 shares. He has subsequently sold 100,000 shares, Simco Supermarkets has completed spurchase of 36,550 shares at 26 p. Total boldings is now 1,809,340 shares (2.6 per pany incentive scheme, of 65,002 trustee of Lord Hambleden's 1932 trustee of Lord Hambleden's 1932

Ward and Goldstone -- The 42,820 shares designated Solomon-London Trust Company bolds

11m ordinary (14.62 per cent).

Second City Properties—Control Securities has purchased a

Control Securities has purchased a

Solution of Securities dealinated Solution of Stampson (1)

Goldstone, who is over 18 years of age. Trustees were Sampson Goldstone, director, and R. M. Walker-Simpson.

Hargreaves Group—Charifund, nominees holds 2,216,666 shares (6.3 per cent), Beneficial interest in this bolding is Equities Investment Fund for Charities. Britannic Assurance Company is interested in 3.86m shares (10.97 per cent). Alpine Holdings — Scottish Northern Investment Trust has

sold 120,000 shares leaving holding 500,000 shares (4.45 per cent.)
Jitra Ruhber Plantations—
Batu Kawan Berhad holds
160,000 shares (7.21 per cent.), Bank of Scotland-Kuwait In- Kuala Lumpur Kepong Invest-

Bruntons (Musselburgh)-ITC Pension Trust and ITC Pension Investments bave reduced their holding by 67,000 shares to 333,000 shares (4.16 per cent). The transferee is Lloyds Bank (Branches) nominees, "WBT A/C" currently holding 67,000

LK Indstl. board supports Caparo offer market in the period following not material in relation to the associates of Ewer 95,000 Ewer

Indian-owned private concern, as fair and reasonable and reflecting the present value of the obtained.

Referring to Caparo's offer of 164p a share—it already owns just over half the voting capital —the company noted that the market price on June 13 was 20p. But it felt Caparo would probably not make a higher offer, nor was a bid from anyone else likely. It is possible that Caparo's

statement of its future intentions might encourage some holders to retaoth part or all of their holdings, the company said. Directors and families own 228,300 shares (9.6 per cent). Mr. Richard Coote, the manag-ing director, intends to retain his holding of 10,000 shares but the other directors intend to dis-pose of their shares through the

yesterday that its board viewed the annual meeting on June 19, the offer from Caparo Group, the up to the first closing date of the offer if a price in excess of the proposed offer price can be

> Acceptances of the offer by Fine Art Developmenta for Wilson Fig. total 88.58 per cent. Fine Art now holds 91.37 per cent of Wilsons. The offer is now fully unconditional and remains open.

MYERS/DELORD Zimmer. U.S.A., a subsidiary

of Bristol Myers, has reached agreement in principle with the Medisbleld Corporation to acquire Delord Surgical, the Swindon-based Medishield division specialisiog in orthopaedic prostheses

net assets of Medishleld's holding company, BOC International.

KUWAIT LIFTS **BURMAH INTEREST** The Kuwait Investment Office bought 110,000 Burmah Oil Company shares on May 28, making Its interest 7.24m shares (5.03 per cent).

ASSOCIATES DEALS On June 16 as an early bargain for the 17th Buckmaster

and Moore associates of T. Cowie and moore associates of 1. Cowie bought oo behalf of discretionary clients, 20,000 ordinary shares of Cowie at 361p xd. Also on the 17th B and M on bebalf of Samuel Montague and Company associates of T. Cowie bought 10,000 Cowie at 38p.

CAPE AUTTOMOTIVE
Cape Automotive, a subsidiary of Cape Industries, the

fire protection, insulation and holding automotive components group, cent), is to acquire Ceecol Motor Chul Factors of Croydon, Surrey, a private company distributing to the motor trade. The acquisition takes effect from April 1 and the consideration, which is not ion specialising in orthopaedic Laurence Prust and Company. disclosed, is paid in cash. Book 215p. He now holds 400,000 (Branches) nominees, rostheses.

The consideration involved is Company, bought on behalf of acquired is about £175,000.

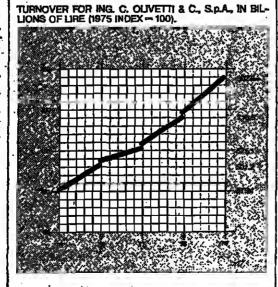
The consideration involved is Company, bought on behalf of acquired is about £175,000.

OPERATING RESULTS

In 1979 the operating results of Ing. C. Olivetti & C., S.p.A. showed an after-tax profit of 23.8 billion lire, net of capital gains from special operations. A dividend of 100 lire will be distributed on both ordinary and preference shares, after allocation of 12.7 billion lire to reserves. Group consolidated results also showed a profit, higher than that of the Parent Company.

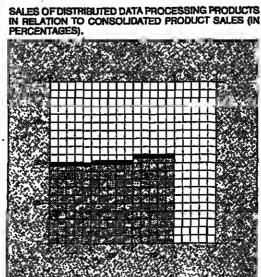
TURNOVER

Turnover for the Parent Company was 902.9 billion lire (+25.7 per cent compared to 1978). Group consolidated turnover was 1,852.7 billion (+19.1 per cent compared to 1978). The geographical breakdown of consolidated turnover was as follows: Europe 67.3 per cent (31.3 per cent in Italy), North America 9.7 per cent, Latin America 11.7 per cent, Far East and South Africa 11.3 per cent.



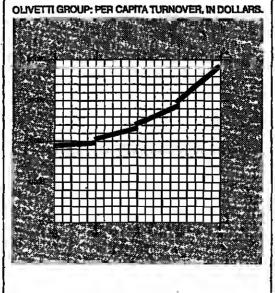
PRODUCTS

During the year Olivetti launched new electronic typewriter and business computer models, which have further strengthened the Company's lead in these sectors. A complete renewal of the Olivetti calculator line was begun, and the new products will be introduced on to the market during 1980. Important developments also took place in minicomputers, copiers and terminals. In 1979 sales of distributed data processing products represented 53.4 per cent of consolidated turnover compared to 49.9 per cent in 1978, while office products represented 46.6 per cent, compared to 50.1 per cent in 1978.



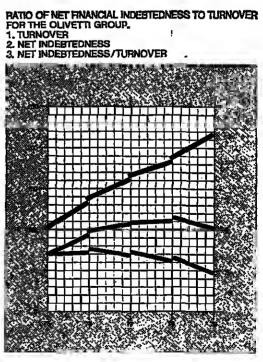
PERSONNEL

At the end of 1979 Group employees numbered 55,931, a reduction of 5,603 since the end of 1978. Personnel with the Parent Company moved from 26,889 to 21,975, with the Italian Subsidiaries from 4,223 to 6,798, with the foreign Subsidiaries from 30,422 to 27,158. The per capita productivity index moved from 22,900 dollars in 1977, to 28,400 dollars in 1978, and 38,000 dollars in 1979.



INDEBTEDNESS

Group net financial indebtedness, consisting entirely of medium and long-term debts, passed from 935.8 billion lire to 859.2 billion, a decrease of 76.6 billion lire. The percentage ratio of financial expenses to turnover decreased from 9.7 per cent to 9 per cent.



Over 18% advance by EIO despite underwriting loss

income in the year to February 29, 1980 more than offset a decline in undarwriting and enabled the Ecclesiastical Insurance Office to record pre-tax profits up by a fifth for the year. Gross premium written in the general business advanced by 20 per cent to £17.85m and net

premiums by 16 per cent to £11.5m. But an underwriting loss of £123,000 was recorded against a £53,000 profit in the of EIO, in his operational review. Allchurches Trust, registered as expressed disappointment at this a charity. It is a leader in

Mr. Alan Grant, the chairman

Investment income rose by nearly 50 per cent on general funds, from £1.3m to £1.93m and

pre-tax profits were over 18 per improved result enabled the company to increase the amount of its charitable grants from £275,000 to £325,000. Profit after tax amounted to £768,000 compared with £649,000 in the previous year.
The EIO is owned hy

school property. But Mr. Grant against £13.9m at the beginning.

was better than that of many although the company is still Britisb insurers. church, the success of its diversification policy now results in more than half its business coming from non-church

mutual basis, rose by nearly 40 per cent over the year from £2.44m to £3.37m, while investment income was one-third higher at £1.6m against £1.18m. Claims, expenses and taxation were over 30 per cent higher at £2m, so that the life fund stood downturn. But he stated that insnring church and independent at £16.9m at tha end of the year

Blue Circle up 96% in S. Africa

BY JIM JONES IN JOHANNESBURG

BLUE CIRCLE, the South African cement, heavy engineering and engineering contracting group which is 55.1 per cent owned by its British parent, increased pre-tax profits by 95.7 per cent to R7.84m (£4.33m) in the six months to May 31, 1980.

This compares with R4.01m in the first six months of the pre-vious year and R16.22m for the whole of 1979. Turnover figures are not provided at the interim

An interim dividend of 9 cents has been declared compared with an interim of 6.5 cents and a final of 14.5 cents in 1979. Earnings per share increased from 11 cents to 22.6 cents.

Although the company warned that the second-half growth rate will be lower, it expects earnings to be significantly bigher than 1979's record 45.9 cents per share. Cement remains at the centre of the group's operations, providing some 50 per cent of pre-tax nrofit and ahout 20 per cent of 1979's R203m turnover. With completion of a R30m plant scheduled for November, 1981,

annual cement manufacturing

canacity will be doubled to

Mr. Trevor Coulson, managing director, expects higher sales volumes and improved prefit performances from most operating divisions, but warns that the mechanical and contracting division could end the current year with a small loss arising from claims and rectification eosts on past contracts. In 1979 mechanical contracting contributed 14 per cent of group profits.

Mr. Coulson is confident, how-ever, that Blue Circle will attain its financial targets. In particular be believes that this year will result in a return before interest and tax of 16.5 per cent on average gross assets employed.

Hinton starts well but warns on margins

THE CURRENT sales performance at Amos Hinton and Sons, food and drink retailer, is encouraging, there is improved promethods is nearing completion, Mr. D. A. Hinton tells ahare-

holders. However, the group faces a year in which cost-inflation will be greater than that on the products the group sells, tha chairman says. This will inevitably put more pressure on margins, already threatened by new already competition.

For the year ended March 31, 1980, pre-tax profits were down from £1.36m to £878,000 on sales of £76.71m against £65.34m. CCA profit is reduced to £590,000 after adjustments for depreciation, £303,000, monetary working capital, £696,000, cost of sales,

£716,000 and £35,000 gearing. Capital expenditure during the year totalled £2.31m. Of this sum, investment in freehold property accounted for £1.07m while a further £306,000 was spent on new store equipment and major replacement programmes for three of the existing stores. In the current year, £1.9m is hadgeted for capital expenditure

of which a major part is for the development and fitting out of the new Northallerton store. ductivity and the group's plan Meeting, Thornaby, Cleveland, designed to improve operating July 7 at 2.30 p.m.

Accelerated fall in second half leaves Beechwood at £0.5m

AFTER slipping hack £70,335 to £254,202 at midway, pre-tax profits of Beechwood Construcconnections.

Premium income un the Life in the second half of the year to Fund, which operates on a mutual basis, rose by nearly 40 \$501,815, compared with £704,255. The nat dividend is increased

to 2.2p (2.0746p) with a final of Turnover of the civil and mechanical engineer rose from £9.81m to £11.3m, and the surplus is struck after depreciation of £451,423 (£474,246) and higher interest charges of £357,597

(\$247.667). Profit margins suffered as a result of cutbacks in the public sector as well as in private investment and the heavy increases in wage, material, transport and fuel costs, states Mr. John Downing, the chairman.

But the group came through a difficult year in sound financial shape, and in the circumstances the pre-tax profit was a reasonably satisfactory performance, he

The mechanical engineering side was adversely affected by the engineering and steel strikes. After tax of £57,954 (£56,897) and minorities, the attributable profit is £443,097 against £646,754. Stated earnings per 10p sbare are 7.2p (10.5p).

James Burrough down to £2.78m

THE STRONG pound, inflation and competitive pressures delaying price rises affected results of James Burrough in the year to February 29, 1980, and pre-tax profits fell from £3.35m to

Turnover including duty of the group, which distills and markets Beefeater Gin and Borzoi Vodka, mereased to £34.89m (£31.63m).
Mr. Alan Burrough, chairman,
says the second-half profits of
£1.54m were hetter than expected
at the interim stage. Selling at the interim stage. Selling prices have been raised since the year end and profits in the current year should reflect an improvement in margins and controlled expansion in the compay's activities, he adds.
A second interim dividend of 3.924p net payable on July 1 lifts the total to 5.544p, com-pared with 4.824p. Shares of the group are traded on the Over the Counter market run by M. J. H. Nightingale and Co.

Northern Goldsmiths climbs

With second half pre-tax profits advancing from £337,340 to £429,712, Northern Goldsmiths Company, retail jeweller, bookmaking services and finance group, reports an increase from £453,218 to £648,330 for the full year to February 29, 1980.

There was a substantial increase in turnover to £13.2m compared with £5.98m.

After tax lower at £142,518, against £201,839, stated earnings per 25p share are np from 8.65p to 14.89p, and the final dividend is raised from 1.5251p to 2.4p for a total of 3.25p (2.8091p which included a special interim of 0.434p).

Today's company meetings

Dorchester Hotel, W., 12. London Street, Sunderland, 12. Wiggins and Leunox Investment, 2, St. Teape, Gateway House, Basing Mary Axe, E.C., 11.30. Minty, View, Basingstoke, Hants, 12.45.

Boosey and Hawkes, Cafe Horspath Industrial Estate, Cow-Royal, Regent Street, W., 12. ley, Oxford, 12. Seccombe Mar-British-Borneo Petroleum, Well-shall and Campian, 7, Birchin chester Rouse, London Wall, Lane, E.C., 3.30. Securities Trust E.C., 12. Brixton Estates. 22, Ely Place, E.C., 12.15. Carnex, Creat Eastern Hotel, E.C., 12. City of Oxford Investment Trust, 41, Corbett Street, Manchester, 12. Bishopsgate, E.C., 12. Glynwed, Shiloh Spinners, Holden Fold, Headland, House, Sheldon, Bir. Royton, 11.30. Sunderland and Thankar Siddeley South Shields Water 29. John mingham, 3. Hawker Siddeley, South Shields Water, 29, John

Still a long haul for Australia's uranium

BY KENNETH MARSTON, MINING EDITOR

AUSTRALIA'S discoveries of uranium mada at the beginning of the 1970s, notahly in the envy of the world. At a time when uranium oxide prices were riding high and the early growth of nuclear power asemed assured the Australian finds were of an unequalled size and grade.

Unhappily, procrastination engendered by political and environmental argument held in the political parameters are ported here yesterday, the relatively small Nabarlek operation of Queensland Mines has

Unhappily, procrastination engendered by political and environmental argument held up the development of this great national resource. Elsewhere in the world uranium mining deve-lopment proceeded and then the market for the material began to soften as it became apparent that the growth of nuclear power industry would be much slower than had been earlier envisaged.

In 1978, Mr. Dong Anthony, the deputy Prime Minister of Australia was moved to say, what we have to consider is to what extent we can allow a small group of people, a manipulated group, to stand in the way of a development of tremendous national and international significance."

His words were to little asvil. By then Australia had missed tha early boat and competitors in Sonth Africa, Namibia and Canada had the advantage over the still undeveloped uranium mining potential in the Northern Territory. They still do

Of the four major finds in the Northern Territory, the big-

tion of Queensland Mines has just started production.

Although Ranger and Nabartek already have sizeable, sales contracts arranged, the Australian uranium mining industry must pin most of its hopes on the market revival that still seems to be some years ahead, especially now that world coal is now filling the energy gap to a far greater extent—and without too much environmental objections —than was earlier envisaged.

But hope springs eternal and Sir Charles Court, premier of Western Australia said yesterday that his state could be a aupplier of uranium to Japan by the middle of this decade. He was specifically referring to Western Mining's uranium deposit at

Yaelirrie.
Sir Charles cenceded that
Japan's immediate uranium
needs were well covered, but he
felt that the longar term requirements augured well for Western
Australia as a supplier later in
this decade. Hopfully they do,
but Australia's notestials ranium. but Australia's potential uranium

have been in full production long

Rhodall issue in Zimbabwe

AFTER being heavily over subscribed in the Zimbahwe ne issue market; the Anglo Amer can Corporation group's chrom subsidiary, Rhodall, opened at small premium of 10A per cer on the Zimbahwe stock exchang vertically.

Rhodall's public issue was the and investors subscribed

anu investors subscribed for more than four times the Si shares on offer.

Offered at 125 cents (85p they opened at 138 cents, trade up to 140 cents and then close at 136 cents. Turpover we np to 140 cents and then closs at 136 cents. Thirpover we estimated at 275,000 shared, more than 9 per cent of the shares offered.

The Angla American growns been criticised for its desion to offer only 12 per cent the Rhodall equity to the R

listing requirement is 30° p cent, and the fact that the Iss was more than four titnes su scribed has been interpreted evidence that the market willing to take up far mo shares than were offered.

Hartogen's latest success

BY STEPHEN THOMPSON

THE KINCORA No. 19 well drilled by Hartogen Energy in Queensland's Surat Basin is to be completed as a gas-producing well. Kincora 19 was drilled 900 metres north of Kincora 18 oil indications earlier this year.

Hartogen Energy bas a 100 per ent interest in the Kincora gas field, subject to royalties totalling 14.65 per cent and a 10 per cent net profit interest held hy Australian Oll and Gas Corpora

Drill stem tests of the Kincora 19 in the interval between 1,463 to 1,500 metres flowed gas at 24,360 cu metres a day. Other flows, accompanied by a

heavy mud and filtrate spray, were recorded at the rate of 70,000 cu metres a day during drill-stem tests of two separate reservoirs between 1,387 and

extent of the Kincara is cit in is also being planned.

Weeks Petroleum.

Weaks Petroloum.

Bermuda-based oil Mod exploration and producing Mr. P. N. Burke, Hartogen's pany, expects, to start did chairman, said that the flow operations in its East China

chairman, said that the flow operations in its East China's rates encountered so far will concession area next month, increase when the well is on production and has been cleaned up.

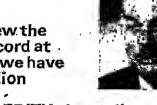
The next well to be drilled in the Kincora field, the Kincora field, the Kincora is focated on the Kincora field, the Kincora is focated offshore Japan and the metres north west of the Kincora is focated offshore Japan and the metres north west of the Kincora is focated offshore Japan and the metres north west of the Kincora is focated offshore Japan and the metres of 27,000, at miles.

The first well in the first well in the first well fit the first w

Record Year for EDITH

At the Annual General Meeting of Estate Duties Investment Trust Limited on 17 June, the Chairman, Lord Seebohm said:

> "During the year under review the sum invested was again a record at . £3.4 million. Since 31 March we have already invested over £1 million in new business, including £161,000 by the issue of new EDITH shares."



Resolutions were passed increasing the net dividend for the year to 2.3p per share (compared with 2.1p last year before a 1-for-10 capitalisation issue) and approving a further 1-for-10 capitalisation issue in the current year. At the end of the meeting Lord Seebohm handed over the Chair to Lord Caldecote, who succeeded him during the year as Chairman of Industrial and Commercial Finance Corporation Limited, the Managers of EDITH. Lord Seebohm remains on the Board.

Net Revenue before Taxation rose from £2,553,000 to £2,979,000 in the year to 31 March 1980. Lord Seebohm's published statement included the following points:

- * Our Net Revenue after Taxation was 20% higher than in the previous year.
- * Issues of our own shares in exchange for shares in seven customer companies represented 3% of our share capital and 45% of our new investment in the year.
- * Your directors expect to maintain a 2.3p net dividend rate on the increased share capital following this year's further 1-for-10 capitalisation issue.
- * The latest Budget included proposals to remove the burden of tax from any capital surpluses realised by approved investment trust companies such as EDITH.

ESTATE DUTIES INVESTMENT TRUST LIMITED purchases minority stakes in unlisted companies, enabling shareholders to raise sufficient cash to meet tax and other personal liabilities without having to sell control.



Copies of the Report and Accounts and further information are available from

ESTATE DUTIES INVESTMENT TRUST LIMITED

The Property and Reversionary **Investment Corporation Limited**

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	Results to 31 March	1980	1979
	Profit before tax	£1,877,000	£1,260,000
	Earnings per share	4.5p	3.2p
	Dividend per share	2.55p	2.04p
` ≣	Undistributed profit	£428,000	£248,000
	Dividend cover (excluding extraordinary it	tem) 1.59	1.58
	Net assets per share	204p	1.56 184p

Points from the statement by the Chairman, Mr Alfred Rubens FRICS

- * Property revaluation at 31 March 1980 19% up on previous year.
- * Developments in hand include 40,000 sq. ft. at Sutton and joint development of a 17 acre industrial site at Frimley.
 - Copies of the report and accounts may be obtained from the Secretary of the Company at Albany House, Petty France, London SW1H SEE.



GROUP ACTIVITIES

Manufacturers of drop forgings, pressings and investment castings in ferrous and non-ferrous metals. Electrical installation, repairs and electrical surface heating.

	occisi To		
١	RESULTS		
	Year anding 29th February	1980	1979
		£000	£000
	Tarnover	35,123 .	30,911
	Profit before Taxation	1,922	1,363
	Profit after Taxation	1,993	1,341
	Drd. Dividends per		
	skare (Actual)	12.7p	11.02p
	Earnings per share	56.7p	38.1p

MR. D. J. MEAD, CHAIRMAN, REPORTS Trading profit for the year increesed by 50%, from £1,501,000 to £2,256,000, and turnover by 14% to £35,123,000. Profit before tax was 41 % higher after higher interest charges.

The final result from the Forging Division

was a substantial improvement on the previous year despite the crippling impact of the engineering and steel strikes. Growth potentiel is considered to be good in all areas of the Casting Division and investment in new plant and equipment will continue. An overall improvement took place in the Manufacturing Division but in the Electrical Division the final results were aomewhat lower than expected.

Copies of the full Statement and Accounts can be obtained from the Secretary.

THE DERITEND STAMPING COMPANY LTD. St. Richard's House, Victoria Square, Droitwich,

FRANCIS SUMNER (HOLDINGS) LIMITED

Extracts from the Chairman's Statement

- ★ 1979 turned out to be a disappointing year for the Group, particularly in the second half whan trading conditions worsaned. The exception was the plastics company, which had
- Your Board recommends a final dividend of 0.1p which, togather with the interim of 0.55p, makes a total of 0.65p for
- * Over the last few months a complete review of the Company and all its operations has been carried out. This has resulted in the formulation of plans to reorganize and rationalize certain parts of the Group, and these are now being implemented. The Board believes that the plans laid down will form a new basis for sound growth and development—both organically and through acquisition.

VISIJAR **PLASTICS** SUMNER

SUMNER TEXTILE

European Coal and Steel Community

This advice appears as a matter of record only

Belgian Francs 500,000.000. Medium Term Loan

Manager

CREDIT LYONNAIS-AGENCE DE LUXEMBOURG

Co-Managers

Kredietbank International Group WestLB International S.A.

Provided by

Banco di Roma International S.A. Luxembourg Banque de Paris et des Pays-Bas

pour le Grand-Duché de Luxembourg Caisse d'Epargne de l'Etat du Grand-Duché de Luxembourg — Banque de l'Etat

Crédit Industriel d'Alsace et de Lorraine Succursale de Luxembourg Crédit Lyonnais — Agence de Luxembourg

Den Danske Bank International S.A. Kredietbank S.A. Luxembourgeoise WestLB International S.A.

Agent

Crédit Lyonnais - Agence de Luxembourg

May 1980

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FINANCIAL TIMES SURVEY

Wednesday June 18 1980

JORDAN

Political stability and strong economic growth without the benefit of oil have made Jordan an Arab nation with a difference. King Hussein's pragmatic policies have trodden a careful path in the minefield of Middle East politics, providing steady pressure for just solutions to the Palestinian problem and other questions.

Eye on balance power By Roger Matthews

AMMAN, the fast growing capital of Jordan, has hecome in the past few years perhaps the best single Middle East city from which to assess the overall mood of the Arab nation Jordan watches, charts and monitors the ebb and flow of international of inter-Arab and international relationships with an intensity that reflects its obvious valuerability to external events.

That Jordan today should appear as one of the more stable Arab countries and one that without the benefit of indigenous oil is enjoying strong economic growth is a tribute to the diligence of the ruling Hashemite monarchy. King Hussein, still only 44 and in his 28th year as the constitutional but absolute monarch, has by the very long-evity of his rule and his survival in the face of severe of the survival and the face of severe of the survival and the face of the survival and the survivalence and the survival and the survival and the survival and the s

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balance of power in the Arab the effectiveness of moderate Amman Government can make of ever achieving united Arah world, except when his own West Bank leaders. This could on other Arab funds.

Survival is at stake, has led to in turn spill over into Jordan, To this extent the political When this coincides with an survival is at stake, has led to much of the misunderstanding about Jurdan's possibly closer links with the Egyptian-Israeli peace efforts. The U.S. Administration was right to consider the King hasically sympathetic to the West; moderate, pragmatic, and willing to participate in a negotiated settlement to the Middle East crisis. It was entirely wrong to believe that Middle East crisis. It was entirely wrong to believe that be would associate himself in a process that did not in advance assure him of Israeli willingness to withdraw from the territories it occupied in the 1967 war. It was an even bigger error to suppose that the King would do so in opposition

The dismay in Amman at Washington's insensitivity to Jordan's requirements and the hectoring styla of National Security Council adviser Mr. Zbighlew Brzezinski have con-tributed to the chill in relations between the two countries. Jordan will not be persuaded of the overwhelming importance of the Soviet invasion of Afghanistan as a threat to Middle East and world peace when it sees the United States actively assisting Israel to prevant 'the exercise of self-determination for 1.2 million Palestinians living on the West Bank and Gaza Strip.

to the majority of the Arab

The more pressing fear is pressures, achieved a degree of that Israel's open defiance of popular respect that is itself the United States by insisting a stabilising factor.

Failure to understand that settlements and moving into that Israel's open defiance of

Israel and the U.S. that Arab moderates would bave their backs against the wall and thia partly explains why Jordan was the first to break relations with Cairo after the separate pesce treaty was agreed. Jordan's confirmation of its pan-Arab sentiments and its support for replace the failed Camp David Palestinian rights were appreciated by its neighboura, not least Iraq which, with its oil revenues and regional leadership amhitions, has moved smoothly and effectively to cement a closer relationship with Amman.

Studies

An agreement signed earlier this month provides for substantial Iraqi investment in Jordanian infrastructure, particularly at the Port of Aqaba and in the extension of the country's cross-desert road system. Iraq has also agreed to fessibility studies on extending Jordan's agricultural areas and of supplying drinking water

This is in addition to total 'Arab support of \$1.5bn a year that Jordan was pledged at the King Hussein will not act in totally Arab towns will further Baghdad summit in November ful. So it is small wonder that sharp defiance of the perceived inflame passions and diminish 1973, and the drawings the the Jordanians are despairing

of possibly closer links with the Soviet Union is not one that can be cheering for the Wes-

Neither is there much sign

that in the sbort term the pro-cess can be reversed. Publicly

Jordan is hopeful that a Wes-

tern Europesn initiative could

exercise, hut privately few leading Jordanians believe that

the .U.S. is ready to admit

failure and until that happens the Europeans will not move.

King Hussein's own efforts to

promote some minimum Arab

consensus on a Camp David alternative have receded almost

totally since the Arab summit

In Tunis last November and

with bi-lateral squabbles break-

ing ont throughout the Arab world the chances of resurrect-

Morocco is fighting Algeria,

the Libyans are falling out with

almost everyone, the present

Tunisian regime is prohably

moving towards its close, Egypt

is isolated, the Lebanon is in

turmoil, the Syrian regime Is

ing it are minimal.

tern Alliance.

Israeli Government such as that led hy Mr. Menachem Begin and a U.S. Administration headed by President Carter, the gloom and frustration in However, the sight of politically conservative Jordan falling into the orbit of radical Iraq Amman becomes even more apparent

Atmosphere

It is perhaps partly in response to this atmosphere that the King appointed his principal adviser, Mr. Sharif Abdul Hamid Sharaf, to head a new Government last December. The new Prime Minister, who comes from the Iraqi branch of the Hasbemites and was considered a radical in his youth, has brought a distinctly socialist tint to the Government with his emphasis on social justice, fairer distribution of wealth and "the rationalisation of consumption"-or, as one Amman cynic put it, "a clampdown on

Such cynicism apart, the Government does clearly feel the need to reduce the growing gap between lower income groups and the wealthy minority whose new luxury bomes are eating into the fertile agricultural land around the capital. The Government also wants to initiate a devolution of power to the regions in an effort to stem the threat of Amman becoming virtually a city state.

the imports of frogs' legs from

under beavy interval pressure, Iraq and Iran are coming to blows, the Saudis and Gulf It is talking about carefully States are bewildered and fearcontrolled elections to small mini-Parliaments that would involve local people in the the day that a West Bank State

Financial sectors

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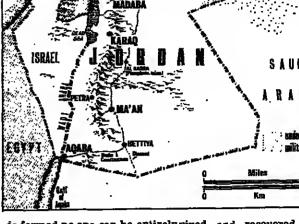
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Industry Planning Agriculture

decision-making process. in a country where no political parties or genuinely representative institutions are permitted this might be the start of a slippery slope on to which the King would ultimately hesitate to place his foot.

At the heart of this problem are the Palestinians. The tens of thousands still living in refugee eamps may find life in Jordan relatively tolerable but they owe no allegiance to the King and are only waiting for the day they can return to their homes in Palestine. They are permitted no political activity and are watched closely by the efficient regime's security apparatus,

Other Palestinisos who have henefited more from life in Jordan would also consider themselves merely temporary residents. A third category, either by political choice or by growing affluence, bave had their radical nationalistic edge blunted and, in the bitter words of one Palestinian: "Have sold



PAMMAN

is formed no-one can he entirely vived and recovered strongly sure who belongs in which category and this must remain a major restraining factor in King Hussein's assessment of the political organisation of the

So too are relations with the Palestine Liberation Organisa-tion. The Egyptian Israeli treaty brought a cautious rapprochement hetween King Hussein and PLO Chairman Yasser Arafat but the wounds of 1970 and 1971, when King Hussein's troops drove the Palestinian guerrillas out of Jordan, are far from properly bealed.

Rumours

The PLO now has a West Bank liaison office in Amman but despite occasional rumours there is little, If any, likelibood that the King will ever again permit armed Palestinians to be based in Jordan or to undertake cross-border raids into

The Jordanian authorities appreciate the difficult balancing act that Mr. Arafat maintains. But they admit frustration at not being sure out of which coroer of the mouth be is speaking when he talks to them. Similarly, Mr. Arafat cannot be sure of King Hussein's

from the political and economic blow of being driven out of the West Bank in 1967 but the pressures could conceivably be more intense if ever an independent West Bank and Gaza State was formed.

King Husseln therefore works hard at enhancing his contacts with West Bank leaders and would probably be prepared for some formal link with the area should a transitional period be arranged before the local inhabitants were given the right to decide their own future status. But it is not in the King's interests, any more than it should be in the interests of Israel, for moderation on the West Bank to he replaced by a virulent radicalism.

It is in that direction that the Jordanian regime fears the most potentially eruptive region of the Middle East is beading. As host to the next Arah Summit in November, King Hussein will again be pleading for joiot Arab action. But as the leader of a small country with little indigenous wealth be has only a remote chance of influencing events. The best that Jordan and the King can hope for is to stay centre-stream-a course that with only occasional aberrations bas been steered with notable success for the past two

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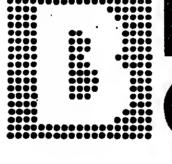
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البتنك البريطاني للشرق الاوسط

Contradictions in vigorous economy

THE JORDANIAN. economy development programmes. suffers from many of the contradictions that are perhaps endemic to a small non-oil producing country located at the geographical beart of the Arab-Israeli conflict. It is a Third World developing nation, yet it is in the midst of a vigorous being brought into the country consumer boom. It has a through non-official channels frighteningly wide balance of will have brought this total to trade deficit, but a remarkably nearer \$800m and should this healthy balance of payments survear top the \$1bn.

plus. It has to bring in often Jordon's capacity to absorb unskilled workers from less developed countries, while own skilled labour to its oil-rich to become of growing concern neighbours. It has to maintain to the authorities over the next

developed countries, while losing a high proportion of its a large and well-equipped standing army but complains of a to take some beat out of the serious manpower shortage. It economy by aiming for a growth is on better terms with the rest rate slightly below the 9-10 per of the Arab world than any other single country, yet pays the same for its crude oil imports as anyone else.

These same contradictions might bowever also be Jordan's atrengths, if the more positive aspects can he used to buy the time for the country to develop its own indigenous resources that would eventually lessen its dependence on external support. The twin pillars of the Jordanian economy are the flow of aid and concessionary loans, mainly from the Arah oil-pro-ducers, and the remittances sent back from its workers ahroad. Together, these two items amounted last year to more than \$2bn, or approximately five times the value of the country's

Response

The external aid flow has been transformed by the Arab reponse to the Egyptian-Israeli peace treaty. At the Baghdad summit meeting in November 1978 it was agreed to provide Jordan with \$1.25bn annually for 10 years as part of the package given to the countries directly facing Israel. Last year Jordan received all hut about \$211m of its allotment and the bulk of the first tranche for 1980 is understood to have been paid

As the donors intended, this immediately

Simultaneously Jordan been experiencing a further increase in workers' remittance that according to official statistics reached JD 180m (\$520m) last year. However it is widely accepted that cash

Population (1978)

GNP (1979)

Per capita

Imperts

Imports .

Trade (1978)

Trade with UK

(April, 1980)

Foreign exchange reserves

Currency: Dinar. £=0.687 Dinar

To this end the Government

is establishing its own shops to sell basic commodities and some

other goods at virtually cost price. The complaints from the

private sector are becoming

more vociferous and the mm-

ber of these outlets operating

by the end of this year will be

good measure of the Govern-

such sums without seriously beightening already existing inflationary tensions is certain two years. Government policy is cent average of the past four years while trimming Government expenditure and directing investment into areas that have a higher social impact.

Jordan prides itself on maintaining a relatively free non-socialist economy and is îs reluctant for the Government to invoke more direct powers for the day to day management of policy. Yet surplus cash in the economy is forcing up the country's import bill, widening the trade deficit and fuelling inflation. Imports rose last year hy

some 27 per cent to almost \$2bn, and although much of this reflected the increased cost of oil and foodstuffs-which together account for about 50 per cent of the total import bill -there is no discounting the important impact of consumer demand for what might be considered luxury goods. Because of its political orienta-tion the Government seems unwilling to consider a significant increase in customs dnes and virtually rules out quotas. The indications are therefora for a continued increase in the trade deficit and at hest a slower rise in the rate of infla-

in Abdul Hamid Sharaf has re-Jordan's arms-purchasing pro-peatedly warned since taking gramme, with over 250 Chieftain office last December that Jordan tanks now on order from was threatening to become a Britain and 24 Mirage fighter runaway consumer society. He aircraft from France. But it also has pledged to cut some 10 per provided for increased budget-ary support that showed up in tures while also seeking to trim urgently needed 20 per cent pay profit margins in the private rises for Government employees sector which, he seems to think, and the armed forces together often anticipates inflationary additional sums for trends and so adds to them.

felt to be politically inopportune last year to pass on to the consumer all the increase in BASIC STATISTICS 37,738 sq miles world prices for oil and foodstoffs and as a result the subsidies bill climbed to JD 70m (\$23.1m). With the example of Egypt close at hand \$2,671.3m some ministers are keen to phase out subsidies before they become an established and growing part of the national budget but their hopes of doing so by the end of next year are \$1.235m almost certainly premature. \$296.5m Emphasis

Room for manoeuvre is similarly limited in monetary Officially the money policy. Officially the money supply increased by about 26 per cent last year and the Central Bank is having some modest success in mopping up excess liquidity. The base lending rate of 9 per cent, well below world levels, will probably be allowed to increase slightly during the year and greater emphasis will he put on developing Amman as an integrated capital market.

The other main area Government attack is likely to centre on increasing domestic revenues and especially the overall "take" from direct taxes. Out of total estimated budget revenue for 1980 of JD 436m (\$1.637bn) only a ment's political determination. JD 436m (\$1.637bn) only a increase in agricultural production. Another test will be what the miniscole part will be contion and should limit the rise in Government eventually decides tributed by theoretically prothis year's total import bill. to do about subsidies. It was gressive income taxes. Last year Additionally the Government is.

little over JD 25m (\$82.5m). Government spending this year is estimated at JD 529m

year is estimated at JD 529m (\$1.74bm); as increase of only 3 per cent over 1979 and therefore in real terms a fall of about 10 per cent. However, it has already accepted to another pay demand from the public sector that was not anticipated when the budget estimates were drawn up. Similar pressures could widen the projected JD 35m deficit, especially if Government departments fail to Government departments fail to meet their required spending

Somewhat to the dismay of the Jordanians these difficulties are felt not to be fully recog-nised by the international community, which concentrates its attention more on the country's strong external position.
For the past four years Jordan has recorded a balance of payments surplus and gold and convertible currency reserves now stand at about \$1.5bn. Last. year's overall surplus of \$210m will be at least maintained this year but is more likely to rise because of the continued bnoyancy of remittances and a very wet winter that brought to an end four years of semi-

drought This will lead to a dramatic

anticipating a doubling of pi phate production over the ner two years, with export earning climbing to \$200m, a major contribution from the Dead Se potasb project which contribute worth \$190m; climbing to \$200m, a m year, and in the longer term th exploitation of its oil shale de posits.

None of these factors are in hemselves sufficient to predic really significant loosening rdan's dependence on externa aid flows. But they do sho that given the time to build stronger infra-structure anderelop the sort of skills anderelop that could complement the technical and industria requirements of the oil produ ing countries. Jordan does have independent economic future

The Government undoubted knows the course it wishes tellew but has no guarante that external events in the region will allew it to do so. A least in the last resort it know that the very size of Jords means that in relative terms i economic problems can rema within, by Middle Easter standards, manageable propo-tions. As one minister wry pointed ont, the total Jordani Budget last year was or equivalent to a single day's revenue for Saudi Arabia.

amount of capital flowing

the power of the Government

use crédit volume as the m

anti-inflationary tool, and so t

vestments juto productive dustrial projects. This years budget at JD 529m (\$1.746b)

control

Roger Matthew

Brisk growth in banking and financial sectors

Should this occur it will certainly not he hecause the
hallmarks of the Jordanian
Government is unaware of the
hanking and finance sector this
danger. Prime Minister Sbarif
year. The most satisfying aspect of this scetor's development for the country's economic planners locally syndicated loans, indicateratio, but the old-fashioned ing an ability to finance most commercial banks are largely ing an ability to finance most new commercial or development from projects

> Since the first such loan was signed on the very last day of 1978, five others bave followed suit. They total only JD 27.2m (\$90m) in volume, but the mere fact that they have heen industrialists who otherwise bonds have been arranged, could not raise their needed private corporate bonds have

The latest syndication is the most interesting. It is a JD 9m (\$30m), 11-year credit for the state-owned airline Alia. This is, therefore, the largest and the longest such loan ever arranged in Jordan. It carries a fixed interest rate of 9.25 per

Three more syndications are being arranged and should be signed in the next few months. They range from JD 3m to 8m (\$10m to \$26m), for seven years, at an interest rate of 9.5 or 10 per cent. They will finance two botel projects and expansion of the country's sole cement

According According to Industrial Development Bank general manager Ziyad Annab who bas played a pivotal role in the syndications drive, the local-bond-market could also develop swiftly if interest rates are attractive. Two bond issues floated last year, for the cement company and the Free Zones Corporation respectively, carried interest rates of 8.5 and 8.5 per cent. It is expected that the rates will have to rise slightly to attract investors tempted by the significantly higher interest pald on dollar and sterling deposits abroad.

Challenge

Central Bank Governor Mobammad Sa'id Nabulsi, bowever, told the Financial Times that the flight of capital from Jordan remains an insignificant factor. On the contrary, the main challenge facing the finan cial sector is to find enough productive outlets for available capital One step the Centra Bank bas taken to encourage increased commercial bank lending to productive projects. as opposed to inflationary trade and real estate dealings, bas been to exempt banks' shares of syndicated loans from the cal culations of their credit-deposit ratios. These ratios bave to remain below 67.5 per cent according to a Central Bank directive issued last year. The high level of capital that keeps flowing into Jordan is reflected in the continuing brisk rate of growth in all aspects of financial activity. The total money supply, for example, grew by 28 per cent last year to reach JD 764m (\$2.5bn). while the country's total gold and foreign exchange reserves increased by one-quarter to reach JD 451m (\$1.488bn), in

strong and stable exchange value of the Jordanian dinar. Commercial bank deposits rose by 32 per cent last year to reach JD 593m (\$1.957bn). while outstanding bank loans rose by a staggering 47 per cent in the past 14 months, to reach JD 489m (\$1.616bn). Rowever, a full 62 per cent of this credit

large part accounting for the

CONTINUING HIGH growth and and real estate sectors, a ratio volume. Earlier this year, if the high level of the econom a gradual move into syndicated that the Central Bank has been jumped five-fold within the liquidity is contributing to trying unsuccessfully to bring down in favour of more credits to the industrial and agricultural sectors. This attempt has included the raising of banks' reserve requirements and the the sudden enthusiasm for lowering of the credit-deposit proving hesitant to shed established - and very profitable -

The emphasis in the financial sector continues to be on expanding the range of available services. In the past two years, negotiable certificates of deposits have heen introduced arranged is a major develop- into the market, syndicated ment for local entrepreneurs or loans and even syndicated bid private corporate bonds have been floated. a forward change market has been estab and two investment along with the Jordan Islamic Bank. Rarlier this year, the Jordan Securities Corporation started its work in the field of securities underwriting and general capital market services.

> These changes reflect the steady increase in business at the two-and-a-half-year-old Anman stock exchange, which registered a trading volume of JD 19.3m (\$64m) last year. Trading should nearly double this year, judging from the steady increase in the daily

span of a few weeks, as capital inflation rate of about 14 fleeing the Gulf area gravital cent a year, but there is ted in part to the safety of the parallel realisation that Jordanian economy. But since then, a more normal pace of the country is not always with activity has resumed.

It is the Central Bank's policy

ige the growth of new Therefore the Central Ba institutions, while has accepted the fact that to encourage the growth of new banking freezing the issue of new com- does not have much leeway mercial bank licenses. The idea of trying to develop an offshore banking market in Amman has been gropped. "We don't believe controlling the Government in offshore banks for Jordan," annual budget and directing h Central Bank Governor Dr. Mohammed Sa'id Nahulsi told the Financial Times, "Rather, we want to develop a complete is a decrease in real terms spectrum of financial institu- last year's after inflation is tions working in an indigenous counted for.

integrated capital market."

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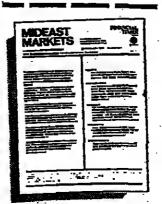
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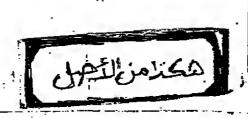
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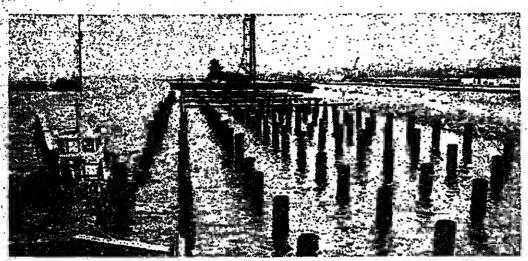


Huge growth by industry

IN A country totally dependent on imported oil, and suffering a tight labour market and high reliance on imported raw materials, one would not expect to see an economy on the verge of a major expansion in indus-trial output. But this is precisely the case in Jordan, reflecting the careful, plodding manner in which public and private sector forces have tried to exploit those few industrial resources that the country does have

The industrial sector has been alated to show the largest sectoral growth in the current 1976-86 five-year plan, rising by 26 per cant a year to increase its share of GDP from 15.6 to 28 per cent by the end of this year. Total investments in industry and mining have been industry and mining have been projected at JD 229m (\$756m), or a full 30 per cent of all plan spending. The preliminary statistics for 1979 show that mining and manufacturing account for 18.8 per cent of But this is a deceptive short-fall, because all the major new of diammonium phosphate and and expanding industrial 105,000 tons of phosphoric acid schemes are either well under way nr nearing completion, and by 1982 the industrial sector's

contribution to GDP should increase very sharply as a series of blg projects come on stream. Most important of these are the five large mineral-based plants for phosphates, potash, chemical fertilisers, cement and oil refining. The phosphate company expanded output last year to 2.82m tons, from 2.3m the previous year bringing in export revenues of \$90m. This year, sales have already reached 44m tons, whose export should



A new berth being built as part of the expansion project at Aqaba port

going to feed the new \$320m rement plant to produce Im manufacturing accounted for chemical fertiliser plant being tons per year is being built in JD 102m (\$337m) out of last built at the southern port of south Jordan, at Rashldiya, year's gross domestic product 105,000 tons of phosphoric acid, all for export. It should start production by the start of 1982, not aconer.

The third fertiliser-producing scheme is the \$430m potash plant being built along the south-eastern shores of the Dead Sea. It will turn out 1.2m tons of potasb per year, but starting at a lower rate in 1982. By 1983, these three big fertiliser projects should add at least JD 100m (\$330m) to the

·national · product. doubled its capacity to 3m tons 4.4m tons, whose export should bring in revenues of \$220m dne to the rising price of raw phosphate rock.

Next year, production should increase to 5.5m, with 1m tons

At Fubeis, near Amman, is also being expanded to double its annual capacity to 2m tons by (3.4bn cigarettes) detergents (10,567 tons) and paper products (1,612m tons), textiles (1.4m yards), clearettes (10,567 tons) and paper products (10,567 tons) and paper products (10,567 tons). Mining and

full capacity by about 1984, they will contribute nearly onethird of Jordan's gross domestic product, and will have helped bring about the desired struc-tural shift of the economy's centre of gravity away; from services and towards industry and mining.

Production in other existing smaller Industries bas continued ser projects should add at to grow steadily. The index sast JD 100m (\$330m) to the number of industrial production ational product.

The sole oil refinery bas year propelled mainly by added production of phosphates (2.82m

could not otherwise do sa to

buy their own home or apart-

ment at soft terms over 20

years; increased training oppor-

tunities: and, of course, steadily

In the coming few years, the social security system will cover

all private sector workers. Its funds available for investment

will grow quickly, to be invested

The country's 17 labour

rising wages.

housing schemes.

(at factor cost) of JD 542m (\$1.79bn).

The large industries are com-plemented by a series of small-and medium-sized companies with a strong export orienta-tion to the insatiable markets in the oearby oil-producing states. Such companies typically use a combination of local and imported components to produce consumer goods that can be quickly trucked to nearby

This formula capitalises on the bappy chance of Jordan's location on the doorstep of the giant oil-fuelled economies of the Gulf, on its skilled labour force, and on the willingness of its entrepreneurs to establish joint - venture manufacturing companies with foreign, usually Western, pariners.

This is clearly the future growth trend in the industrial

sector, as the possibilities for large-scale projects to tap local mineral resources become fully exploited. The establishment of large industrial part south of Amman and a series of three free zones in different parts of the country aim to provide the appropriate infrastructure for

such medium-sized plants, To fill in gaps in the mana-serial structure of Jordanian firms, the two-year-old Jordan Institute of Management, spawned by the Industrial Development Bank, is expanding its series of short courses especially tailored to meet the needs of local companies, par-ticularly in such fields as accounting, personnel manage-ment, marketing and stock

Trade statistics show that a proportionally larger amount of exports and re-exports are going to the nearby Arab states, in line with the country's aim to become an important manufac turing centre in the region. This effort will continue to be ad versely affected by rises in oil prices, which work their way through the price structure to threaten the competitiveness of Jordanian products.

The Jordanians are convinced however, that their combination of labour, manogerial skills and location will always produce competitively priced quality consumer products required throughout the area. They have been proved right to date, though future prospects for medium-sized industries remain sensitive to the availability of skilled workers, the cost of energy, a plentiful supply of water and a lack of serious competition from other pro-ducers in the area, particularly the Arab Common those in

Rami G. Khouri

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Tight labour market forcing wage rises

resigned itself to living with average nominal wage inleast the first half of this decade.

The things and 1979, the related injuries, occupational resigned itself to living with average nominal wage indeath (government civil serthe rise in the cost-of-living vants are already covered by their own pension system); a

labour sector with steadily rising wages, more sophistication in management and technical skills, an uneasy balance imported foreign workers and Jordanian emigrant workers, and attractive inducements for more women

to enter the workforce. The result will be that while wages may continue as one of several inflationary factors in the Jordanian economy, the steady development of labour efficiency in the longer run is likely to maximise Jordan's potential as a regional centre for services and manufacturing.
And it is labour, in the end, that is Jordan's most important

Until the early 1970s, Jordan suffered from chronic unemployment that regularly topped 10 per cent. After the 1973-74 oil price increases, Jordanians proved to be one of the most sought-after sources of labour for the Arab oil producers, paricularly Saudi Arabia, Kuwait and Libya. The outflow of Jordanian workers has been the dominant feature of the economy since 1975, though it appears to bave stablilised during the past two years and should maintain the same rate of about 10,000 departures a year for the next

several years at least.
As a result, the domestic workforce has grown slowly to reach 430,000, while the best estimates put the number of emigrant Jordanian workers in the oil states at some 300,000. The large number of emigrants has forced a rapid increase in domestic wages, as the private sector has tried to keep its skilled workers at home by offering them more money and better fringe benefits, particularly housing schemes, health

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WITH ITS open economic insurance plans, provident security system covering 33,000 system and the attraction of funds and free training oppor-high wages, in nearby oil- funities.

panies; compensation for work-

purchasing power has remained growing number of housing steady during most of the 1970s. schemes enabling workers who

The strategy to overcome the problem of tight labour includes three components: allowing foreign workers to fill in temporary gaps, increasing the labour supply, and providing a "social package" of attractions to reduce gradually the incentive gap between wages in the Gulf states and in

Sticking to the principle of the free movement of workers, Jordan has seen its foreign work force grow steadily to reach about 75,000, though this also appears to bave stabilised. Nearly 40 per cent of the foreign workers are Egyptian, and others come from Pakistan, Syria, Lebanon, the Phillipines, Turkey, India, Korea, Sri Lanka and Bangladesh.

Contribution

It is estimated that they are sending back remittances of about JD 30m (\$100m) every year, compared to the JD 250m (\$800m) that Jordanian workers abroad send back every year. Thus while the foreign workers bave a small adverse effect on the balance of payments, this is heavily outweighed by their net contribution to the economy. In some sectors, such as

tourism, a shortage of foreign workers would cause massive problems of understaffing and inefficiency. The emphasis of the Government is now on regulating the presence and flows of foreign workers, by making sure they are all given work permits and enjoy legal benefits to which they are

The training of Jordanians is also a top priority area, in which the private sector and the Government have co-ordinated their activities to provide about 30,000 places in post-secondary training and vocational institutes of all kinds. These are turning out about 8,000 graduates every year, of which as many as half take up work abroad immediately after graduation.

An underlying theme of training is the need to encourage more women to work. The pool of potential women workers is large, as females already make up 41 per cent of secondary school students. The percentage of women in the total workforce has risen steadily to reach about 15 per cent this year, but there is still much scope to increase

The third front in the battle to tame the turbulent labour market is the attempt to provide a loose "social package" of incentives that would reduce the attractions for a Jordanian to work in the oil-producing states. The most notable features of the package are a new, comprehensive labour law that will come into effect at the end of this year; a new social



The country's Hotel and Tourism Training School. More cooks and hotel staff are needed than can be trained

ful as they become increasingly adept at collective bargaining with the traditionally powerful employers. While strikes and work stoppages are not common occurrences in Jordan, workers in projects that directly benefit workers themselves, such as textile plants or the oil refinery, whose have threatened to stop work dampens as a means to prod management profitabili with 80,000 members, into serious negotiations on pay should also become more powerincreases and improved benefits.

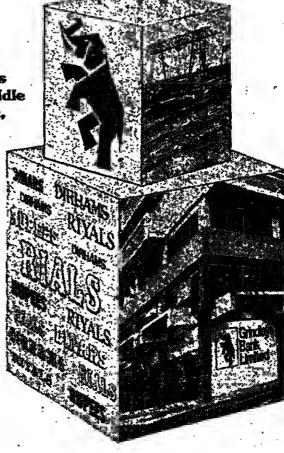
This trend should continue in the future, given the tight preference of most companies for Jordanian workers to stay at home. The other option is in large companies, such as to bring in foreign workers whose high turnover only profitability in the end.

Rami G. Kbouri

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Children take a summer swim in the East Ghor Canal, main artery of the \$1.5bn Jordan Valley Development Scheme



A new housing scheme (right) replaces the old mud homes of Jordan Valley.

Many constraints on planning strategy

THE ODDS against Jordan will require social services and revenues.

managing to implement a jobs on a massive scale.

The overcoberent, long-term develop- Furthermore, in the wake of of 765m ment strategy are staggering.

Living on the frontline of the Arab-Israeli conflict, and being on the edge of the giant oilfuelled economies of the Gulf region Jordan suffers from having to finance a heavy defence burden and accommodating within its amall territory about 1m Palestiniao refugees.

These exiles, who have crossed the Jordan in several successive waves since 1948 divide into those who see themselves politically and emotionally as Jordanians with a future on the East bank of the river, and those who would consider recrossing the river if a Palestinian state were to be created in the West bank and

That possibility highlights the dilemma that faces Jordanian planners: does one plan the socia-economic development of

Higher wages

Should, for example, the country's educational and bealth facilities be projected into the future on the basis of a population that will grow slowly in the wake of a return of some Palestinians to their homes.in Palestine? The second major planning

constraint emanates from the oil states to the south, where 300,000 Jordanian workers and another 400,000 family members are living at any one time, enticed by higher wages.

The lnabllity to predict the long-term demand for Jordanian workers in the oil-producing states also hampers the decision-making process in Amman.

that the present population of narrowing the trade gap, and Jordan is only 2.2m people, they greater reliance on domestic

United Trading Co. (Japan) Led., Suite 89, Shura Kill-CHO TBE, No. 7, 5-Chome, Kon-Machi, Chiy Tokyo, Japan, Sek (3-283-1821/2, Telex: 27448 UTG JFR, Mr. H. Hiol

an Arab-Israeli peace settlement, which one may assume is a likelihood in the coming decade, the rationale for Jordan receiving about half of its annual budget in grants and loans from friendly Arab atates will gradually disappear.

If the demand for Jordanian workers in the Gulf were to taper off, so would the \$750m they send home in remittances every year—the biggest source of investment capital in tha

Trying to plan the develop-ment of the country in this kind of uncertainty is frightfully difficult. The young ecocomic planners of the country, including Crown Prince Hassan, National Planning Council president Hanna Odeh, Central Bank governor Mohammad Sa'id Nabulsi, Sapply Minister Jawad Anani and a bandful of others, the country on the basis of a large loog-term Palestinian presence, or simply for the Jordanian population?

See Slowly worked ont a strategy that revolves around exploiting Jordan's buman and natural resources within a largely regional orientation.

The assumption is that Jordan will continue to be a provider of skilled manpower to the cash-rich Arab States. The logical strategy is then to try channel the excess earnings Arab market on the doorstep.

Simultaneously, available soft loans and grants from Arab and International sources are being invested in a series of large Industrial and agricultural schemes that will from the heart of Jordan's export-or-ented productive sectors from the middle of this decade onwards.

This strategy is highlighted in the current 1978-1985 plan for social and economic development, whose main aims are an Will these 700,000 Jordanians annual growth rate in gross return home soon? If so, given domestic product of 12 per cent,

815m dinars already invested during the first four years of

Economic growth has been slightly below target, averaging about 8 per cent a year. Gross Domestic Product reached 550m dinars at factor cost by the end of last year.

This will increase sharply in tha next three years, however, as the main industrial projects in phosphates, potash, chemical fertiliser, cement and oil refining reach full production, and the \$2bn Jordan Valley development scheme is completed in the mid-1980s .

has been steadily increasing to reach 460m dinars last year. Much of this reflects high capital import requirements to estab-lish the industries mentioned

of imports are consumer goods. Reliance on domestic revenues ppears to be one target that is being met. Last year's domestic revenues of 181m dinars covered 62 per cent of the budget's

recurring expenditures. Overail, bowever, the national budget remains dependent on foreign loans and grants for about 50 per cent of its revenues.

The aim is to reduce the trade starts in 1981, will probably targets of 765m dinars (£514.8m) has already been surpassed, with of the question. The trade gap while paying more attention to projects in the field of social

> private sector will be expected to foot half the investment bill, above, but at least 40 per cent with the other balf coming largely from soft foreign loans

A greater proportion of credit generated internally, and also from other Arab states' private sectors as institutional; links between Jordanian and Arab The next five year plan, which capital markets are established.

The Government is unlikely to tamper much with the successful formula that has worked well in Jordan to date by which the private sector is given free rein throughout the economy while the state concentrates its resources of infrastructural facilities and social

Given the enormous regional and commercial loans for self constraints and uncertainties financing schemes such as within which the planning export industries, transport process must take place, lines and hotel projects. Jordanian officials would be unssarily daring to rock a boat that has navigated the tem-pestuous waters of the Middle East with commendable stability to date.

Rami G. Khonri

Agriculture depends on use of limited resources

for cereals production that it fruit and vegetables from the Last year, agriculture contri. Arab oil producing states. Such enjoys on the average of twice Jordan Valley, and to boost buted 8.3 per cent of gross a marketing policy should be every decade. In fact, the domestic sheep and poultry produced product (JD 45m, or greatly enhanced by three new country might cover over half duction to offset the chronic \$149m), but the proportion packing, grading and marketing of its grain requirements if the 200,000 tons of wheat and 60,000 tons of barley.

Despite this bountiful year,

however, the long-term prespect for agriculture in Jordan remains captive to the ability of private farmers and Government planners to make intelligent use of their limited resources. This has forced a concentration on the expansion of irrigated lands in the highly fertile Jordan Valley and some upland areas, while trying gradually to shift marginal rain-fed areas to range-land and restricting cereals production to those regions, princi-pally in the north, where annual precipitation is over 250 mm.

Knowing what should be done, and doing it, bave proved two different things, though, and the attempt to bring about a permanent structural shift in the agricultural sector has been slower than officials bad hoped. Wheat farming remains vulnerable to the vagaries of rainfall, as attempted by the abysmal 1978-79 crop year, when cereals production plummeted to 32,400 tons; vegetables totalled 353,300 tons and fruit yields were down to 98,700 tons. These figures reflected fourth consecutive year drought.

Irrigated

The current 1976-1980 five-year plan projected JD 112m (\$370m) investments in the agriculture sector, which is certain to be surpassed. The private farming sector alone has invested JD 88m (\$290m) during the first four years of the plan, while the Jordan Valley Authority has spent at least another JD 50m (\$165m) in the same period. The result is a total irrigated area of 27,000 hectares, two-thirds of which is in the lush Jordan Valley, where at the 200 Valley, where, at the 300 metres below sea level, the climate permits farmers to

produce three crops a year.
Dry-land farming covers about 500,000 hectares, with poother 100,000 left fallow every year in the crop rotation schedule. But much of this land is marginal, and should either be terraced and converted to fruit trees if it is stoping, or left as range-land to support the country's valuable shoen the country's valuable sheep population. Dr. Hassan Gharaybeh, the Under-Secretary for Agriculture, estimates that Jordan's 750,000 sheep population could reach 2m with improved has the population could reach 2m with improved has the population of the population of the population of the population of the population and folders and folders. proved pastures and fodder production in both irrigated and rain-fed areas."

Producing more meat would go a long way to narrowing Jordan's food trade deficit, which has been running at about JD 65m (\$215m)

of the private sector into manu-facturing and service industries past winter will give Jordan long-term aim is to increase surface flood and furrow high demand for fresh produce in Jordan, geared to the wider one of those spectacular years of off-season fresh methods.

Jordan could balance out its food trade in the long run, and indications from the success of intensive farming systems in the Jordan Valley (plastic bothouses, hydroponic growing, drip irrigation) suggest that this could be attained by 1985."

Tha target will be achieved largely by completion of the-\$1.5bn Stage II of the Jordan Valley integrated development scheme, focusing on the 350m cubic metres capacity Magarin Dam to be built on the Yarmouk River in north Jordan. The dam will increase the irrigated area in the valley to a total of 33,000 hectares, while provid-ing sprinkler irrigation net-

Jordan Valley.

Shortages

A weak point in the agriculture sector remains the marketflood the local market at peak production times, and leave embarrassing shortages at others. Institutional structures to improve the farmer's income and meet the consumer's peeds remain inadequate throughout the sector.

One aim of the recently-activated Higher Agricultural Council, which brings together officials from all agriculturerelated bodies in the country, is to devise a long-term national works for the entire valley, marketing policy to meet local much of which is now irrigated demand while allowing farmers.

Holiday Drun

duction to offset the chronic \$149m), but the proportion packing grading and marketing need to import wheat, barley should increase sharply in the centres in the Jordan Valley, and red meat.

next two years with the revenue, the first of which started work and red meat.

next two years with the revenue, me mist or which started work.

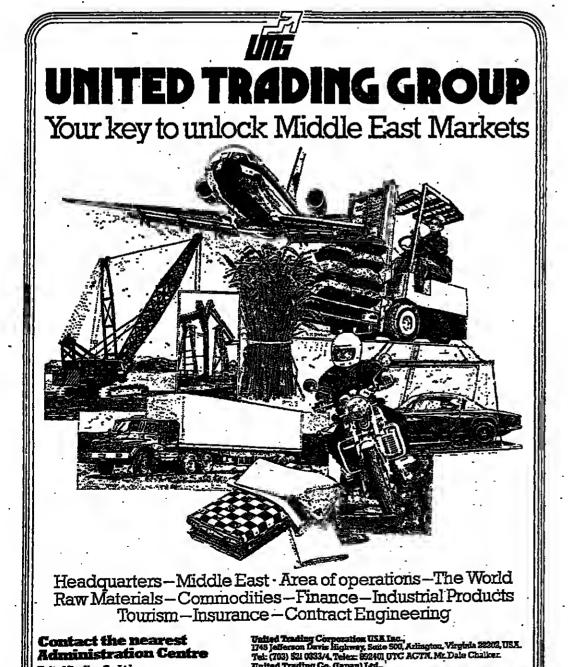
Most experts agree that from added production in the on a small scale earlier this

In the next two years.

The key to Jerdan's agricultural potential is clearly the optimum use of the country's Limited water resources, via a series of existing and new dams. These will provide a maximum storage capacity of about 450m cubic metres of water by 1986, when the Magarin Dam is completed. There is still much scope to increase storage of excess winter water by building more small dams along the many side river beds, and Jordan's experience suggests that raising inter-national soft loans to finance such projects would not be a problem at all.

Rami G. Khouri

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Downturn

struction Machinery, jointly owned by Fiat of Italy and

Allis-Chalmers, has announced

ents in employment and said

it plans to relocate operations

because of the slump in con-struction machinery sales.

The company said recent actions included lay-offs of hourly workers and perman-

ent reductions in salaried

workers at plants in Carol Stream, Deerfield, and

Springfield, all in Illinois.

The cuthacks include a 20

per cent permanent reduction

in salaried employment in non-plant related departments

and a 10 per cent permanent

cut in salaried employment at

The company amounced 2

series of other cost-cutting

moves, including the reloca-

tion of certain parts produc-tion, reduction of leased

in Italy.

In Moline Deere and Co., the farm and construction equipment group, said it would shut down manufactur-

Ing operations at its industrial equipment factories in Duhnque and Davenport,

lowa, for four weeks begin-ning on October 6, because of reduced production schedules

cansed by the slump in con-

The shutdown would affect ahoni 4,900 employees at the Duhnque factory and about

900 in Davenport, the com-

The factories manofacture

struction activity.

utility equipment.

and relocation of some corporate functions to Turin

all plant locations.

brings .

Firestone omits payout in face of poor U.S. outlook lay-offs at

FIRESTONE TIRE and Rubber, the loss-plegued tyre-maker, yeslerday finally capitulated to up losses totalling \$66m, in industry workforce has been mounting economic pressures cluding \$49m in costs for the laid off as a result of this and omitted its quarterly dividend. It thus joins Uniroyal, its U.S. production capacity, the ailing number three in the USS. tyre industry, which has not paid a dividend since Sep-tember 1978.

Firestone had already cut Its deficidend from 27.5 cents to 15 cents in the final quarter of last year and there were doubts that it could sustain this recloced rate this year.

Yesterday's decision

ethributable to the company's need for operating capital in U.S. economic outlook, Fire-stone said.

Jewel sees

improvement

tors, expects earnings in the year ending January 31 to

exceed last year's \$50.7m, or \$4.54 a share, Mr. Richard G. Cline, the president-elect, told

the annual meeting. He said the company bad

seen softer food sales in some

areas in recent weeks and that its Osco Drug unit had experi-

enced some softness in sales in

Mr. Weston R. Christopherson.

reach S4bn this year against

After the meeling Mr. Cline.

Mr. Christopherson, and Mr.

executive vice president for finance and law, was appointed

Christopherson was

elected

\$3.76hn last year.

this fiscal year Firestone ran At the end of last month,

when Firestone announced a \$52m loss for the quarter, it warned that there was no possibility of significant improvement until the motor industry and the U.S. economy demonstrated sustained improvement.

Last month's car and truck sales were the worst of the ten-month-old motor industry recession in the U.S. and Detroit is now producing at its slowest

In the first two quarters of years, writes Ian Hargreaves. More than a fifth of the tyre closure of up to a quarter of collapse in sales and other longer-range strategic difficulties, such as the growing consumer preference for radial industry capacity is designed to meet.

some Although industry executives are hone ful that sales will pick up rapidly this autumn when Detroit's new models are launched, they know that the Government's attempts to ease huyers have not so far had any discernible impact on the sales

Machine tool maker CHICAGO - Jewel Comreports good demand panies, the supermarket opera-

MONARCH MACHINE Tool con- for, many expenses during the tinues to experience good demand for its machine tools. said Mr. Kermit Kuck, the Reports AP-DJ from Sidney.

He said that Indications were regional mall shopping centres.
Osco's margins were continuing to improve
Mr. Weston R. Christopherson.

Mr. Weston R. Christopherson. the chairman elect, said Jewel's about 12 months' orders for ils domestic sales were expected to strip metal processing equipmcot. These backloss would

keep shipments at a high rate Monarch expected "good" formerly vice chairman, was results for both the second president, succeeding quarter and full year, Mr. Kuck pristopherson, and Mr. said, but the company would Lawrence Howe, who was not show the same quarter-tohad its poorest quarter in the Reuter pany paid, or made allowance \$97.2m.

FT INTERNATIONAL BOND SERVICE

The list shows the 200 latest international hood issues for which an adequate secondary market exists. For further details of these or other hoods see the complete list of Eurohond prices published on the second Monday of each mooth.

Closing prices on June 17

first quarter. 1980.

quacter profit jumped to \$2.6m, chairman and chief executive. or \$1.51 a share, from \$1.2m, or 71 cents a share, a year

> He added that it was too early yet to make a precise forecast of second quarter results, but that profits might be about the same as in the first quarter. That would be a gain of nearly 50 per cenl from the \$1.8m, or \$1.03 a share, earned a year earlier.

There were too many certaioties in the second half to make an earnings estimale for the full year, but the comquarter gains as in previous pany expected to show a gain years. Monarch traditionally from 1979, he added. Last year, from 1979, he added. Last year. Monarch earned \$9.1m, or first period, because the com- \$5.32 a share, on sales of

jump in third quarter By Our Financial Staff

Humana shows

HUMANA, the leading hospital management group, bas reported a jump in net profits from \$11.89m to \$18.67m in its

third quarter ended en May

Revenues for the period rose from \$294.1m to \$366.5m and hasic earnings per share were up from 60 cents to 90 cents. For the nine months Humana, which almost doubled the scope of its opera-tions with the IS78 take-over of American Medicerp, shows earnings ahead from \$29.35m to \$47.8m, exceeding the annual lotal of the previous year. Earnings per share came out at \$2.27 against \$1.45, while the nine-mooth sales total was \$1.02bn compared with

For all of last year Humana \$40.89m, almost double the \$22.1m total for the year to Angust 31, 1978.

No dividend at Argus

By Robert Gibbens in Hontreal ARGUS CORPORATION, the major Toronto holding company which controls Massey-Ferguson and other companies, is omitting the 5 cent quarterly dividend normal!" payable on Seplember I on

Shares. The company said there dividends woold be withheld to "strengthen the company's eash position."

Suit filed against Posner MARLEY COMPANY, a lead-

Ing water cooling tower and heat exchange equipment group has filed a law suit against Mr. Victor Posucr, the Florida businessman, and four of his companies, one of which stake in Marley. The suit was filed in U.S.

District Couct in Karsas against Mr. Posner, Surimit Systems, Sharon Steel Corp-oration MYF Company and Security Management Corporation, reports Renter from Mission, Kansas.

Mission, Kansas.

Marley said the sult alleged that filings of information with the Securities and Exchange Commission made by the defendants concerning the purchase of Marley stock hy Summit contained false and misleading statements and failed to disclose material

Lay-offs at Continental

LOS ANGELES-Continenlal Airlines said it would be laying off about 1,200 employees, or 10 per cent of its workforce, as a result of a planned reduction of its passenger capacity by 20 per cent on September 8.

The company said it was reducing its flying time by

about 16 per cent. It said the lay-offs were prudent responses to the economic situation the U.S. was facing now and into 1981. They would enable Continental lo remain competitive at a time when the airline industry was beset by rising operating costs and declining revenues.

INTERNATIONAL CAPITAL MARKETS

Six dollar issues launched

interest rales, were Isunched in the dollar sector of the interostional bond markets yester-

a yield helow 10 per ant, a psychological threshold heneath which most buyers are, for the time being unwilling to go. "Investors have batteoed down the hatches," commented one senior new issue manager. "They are waiting for a lead from the New York market which has not yet come." Thus, most of the issues amounced yesterday were quoted at discounts of 11-2 points in pre-market trading but

there was no sign of any selling. Secondary market trading was described by most dealers as extremely quiet yesterday, with prices down a point on average. Among the new issues announced yesterday is a \$150m

issue, which carries a coupon of 91 per cent and has been priced

written by the managers.

Pembroge Capital Corporation
is raising \$100m for seven years

which is higher if the selling through Salomon Brothers. The bonds, which carry a coupon of 91 per cent and a price of par, have been pre-underwritten by the managers. The borrower is the financial arm of Pembroke Cracking Company and is by the jointly owned by Texaco and issue. Gulf Oil. The bonds are Com guaranteed by Texaco and Gulf.

Exportinans of Norway is arranging a \$75m seven-year bond, which carries an indicated coupon of 91 per cent, through Merrill Lynch and Den Norske

British Oxygen Finance NV, is arranging a \$30m 13-year per cent to 81 per cent.

SIX EUROBOND issues totalling 51-year bullet issue for Canada's meanwhile, is arranging a \$50m convertible bond, which carries \$605m, five of them with fixed interest rales, were issueded in the carries meanwhile, is arranging a \$50m convertible bond, which carries interest rales, were issueded in the carries for the carries interest rales, were issueded in the carries for the carries an indicated course of 61 per cent and a price of 991, cent, through Gredit Suisse First through a group of banks led by Boston and UBS (Securities). A Lazard Bruthers and Swiss Bank conversion premium of 5 per at par, is Credit Sulese First Corporation. This issue, which cent is expected and the bonds offers investors a yield helow 10 per ant, a written by the managers.

The issue is pre-under-offers investors a yield of 10.83 are convertible into bearer per cent is guaranteed by BOC participation certificates. The sychological threshold heneath per cent is guaranteed by BOC participation certificates. The sychological threshold heneath

> - In the Swiss franc sector, New Zealand has completed a SwFr 100m six-year privats placement with a coupon of 51 per cent through Union Bank of Switzerland.

raising \$150m for six years with a coupon of 92 per cent through Continental Illinois Ltd and Goldman Sachs. The bonds are guaranteed. In the yen sector. Thailand has completed a Ylohn 10-year

are guaranteed by the parent priced at par by the lead company.

Alusuisse Capital meanwhile, the coupon had been cut by i company.

Alusuisse Capital, meanwhile,

Canada financial futures agreed

TORONTO—The Ontario Securia approval for operations for at Brascan, the holding company ties Exchange Commission has least one year.

At present, there are no Canadian industry, bas comapproved a plant to establish at present, there are no canadian mittative, loss confidence of facilities for trading 91 day financial futures markets in pleted the previously proposed Canadian Treasury bills and Canadia, although the Winnipeg transfer to the Bank of Montreal 18 year, 9 per cent Canadian Commodity Exchange and the of its interest in the Brazilian Government bonds. Trading is Montreal Stock Exchange both bolding company which owns expected to begin by September. plan to set up such trading all the shares of Banco Brascan The Toronto Stock Exchange's facilities. As a result, some de Investmento of Brazilian parts and Spannial The transaction was effected. plan received a setback late Canadian banks and financial last week when the Ontario institutions currently use U.S.

of the limit on foreigners, and the Canadian Government received swift regulatory Department of Finance.

The transaction was effected

group discount is taken into

what can be obtained on other bonds for well-known industrial

names in the secondary market.

The issue is pre-underwritten

by an exchange of shares involvcommission disagreed with markets for bedging purposes. ing 1.4m common shares of parts of the proposal, notably a The Toronto Exchange's plan Bank of Montreal and 490,000 restriction on participation by was drawn up over an 18 shares of preferred stock of a months preparatory period, whofly-owned subsidiary of The Exchange quickly made which included consultations Bank of Montreal. The enumber modifications, including removal with the Bank of Canada and of preferred shares to be issued Government's is subject to final adjustments

CANADIAN BUILDING mate- uncomfortably high inventories, export to the U.S. are no better rials manufacturers say they manufacturers expect to see. are feeling the pinch of the slump in Canadian and U.S. bousing construction and fore-

North American sales are down 30 per cent, says Mr. John Clarke, marketing vice-presi-dent of American Standard, a division of Wabco Standard of Toronto. The company, one of Canada's largest plumbing fixture manufacturers, says it

their sales drop sharply. Canada Mortgage and Hous-

Builders' suppliers feel slump

ing Corporation reported in cast a bleak profit picture for. May the worst annual figures for housing starts since 1961. There were 125,400 housing starts in 1979 and It is unlikely to improve, officials say. A senior corporation officials says that expected bousing starts of 160,000 in 1980 will make it the worst year : since: 1966. . The situation is not belped by a Another factor, he says, is in-similar slackening of housing creased consumer interest in with lay-offs to follow. With means that manufacturers who AP-DJ

off than those catering to domestic markets.

But not everyone is losing as high mortgage rates discourage people from huying new houses. The interest in renovating houses has helped some companies to offset the construction slump. The renovations market is counter-cyclical to the housing market, says Mr. Paul Millyer, spokesman for Montreal-based Building Products of Canada.

Pressure on margins at Levi Strauss

By Our Financial Staff

LEVI STRAUSS, the world's LEVI STRAUSS, the world's largest apparel group which is hest known for its jeans, again saw profit margins under pressure in its second quarter to May 25, but managed to post a 16.7 per cent increase in net profits to \$52.3m.

Sales for the quarter were shead by 36 per cent from \$494.5m to \$673.6m and Mr. Peter Haas, the president, attributed the pressure on margins to higher advertising and marketing expenditures, higher than normal price mark-downs and to discontinued operations in the Diversified Apparel Enter-prises group, which is the new title for Koracorp Industries, an apparel group acquired for \$71m in September last year.

Earnings per share for the quarter were \$1.25 against \$1.10, and for the balf year net profits were up 23 per cent to \$101.6m (\$2.42 a share) from \$82.6m (\$1.95) on sales 43.5 per cent ahead at \$1.28bn.

Mr. Haas, said that while the recently the third quarter would show favourable progress.

He also noted that because of brief shutdowns of various European facilities, international inventories at the end of the second quarter were reduced to 151 days sales from 171 days at the end of the prior

This announcement appears as a matter of record only.



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Sales

growth

for PUK

PARIS — Sales of the Pechiney Ugine Kuhlmann (PUK) metals and chemicals

group for the first four months of this year showed an increase of 30 per cent on

the same 1979 period, and

earnings growth was even

faster.
M. Philippe Thomas president of PUK, said at the annual general meeting the

sales for the first six months

of this year would he about

27 per cent above those for the first half of 1879, and at

the same time the group's profitability would improve. In the first quarter of 1980

turnover was FFr 10.3hn (\$2.5bn), compared with FFr

7.9bn in the same 1979 period.
Most of the group's
divisions would experience

sustained growth over the next few months, M. Thomas said. He added, however, that

a deceleration in the last four

a deceleration in the last four months of the year was in be expected, as the economies of the major industrialised nations cool down.

M. Thomas said that the forewarnings of an economic slowdown had already appeared in Europe, suggesting a recession as deep as that experienced in the U.S.

in the U.S., he said, PUK's

subsidiaries had seen a drop in new orders, hat the impact

on their activity levels would be limited in view if the size

hlades at Howmet Turbine Components, for instance,

represented more than a

year's normal turnover, M.

Thomas said, although he con-

ceded that the company had

heen forced to lay off 10 per

cent of its workforce since

May.

M. Thomas said that Ugine

Aciers, the group's specialty steels division, had reduced its costs hy 35 per cent hetween 1977 and the first half

Asked to comment on the

future of Ugine Aciers with regard to the French Govern-

ment's plan for restructuring

the specialty steels industry,

M. Thomas said the plan's objective was to hring

together the major producers under the wings of the two biggest steel groups in France, Sacior and Usinor.

Details of the plan are expected to be made sublic within the next few weeks.

Shell and

Esso boost

By Charles Batchelor in

Dutch spending

ROYAL DUTCH Shell and

Esso have agreed to invest F1 36bn (\$18.6bn) in the Netherlands over the next 10

years in return for a govern-

ment agreement not to take a

larger share of their profits

nn gas.
The two companies, which have a quarter share each in the country's natural gas nnt-

pnt and earnings, have agreed

in meet economies ministry

officials at least once a year to

review the progress of their investment spending.

each earn about Fl 7.7bn from

their gas operations, including Fl 2bn as a result of the

increase in prices since de-

velopments in Iran, Mr. Gijs

van Aardenne, the economics

minister, told parliament. The Government, which al-

ready takes a 85 per cent cnt

of the companies' gross gas earnings, decided increased investment would do more for

the economy than a larger

government participation in

Royal Dutch and Esso will

Orders on hand for turbine

experienced in the U.S.

of their order hooks.

and profit

St Gobain restructures holding in Machines Bull

THE DIVERSIFIED French conrationalises its bigh technology

the 20 per cent shareholding it recently acquired in Olivetti, the Italian office equipment com- 51 per cent. pany. These two participations This share issue from will be beld through Machines Machines Bull lies at the hub which at present exists only as a bolding operation for Cii Honeywell Bull.

THE DIVERSIFIED French con-glomerate, Saint-Gobain-Pont-2- of Cii Honeywell Bull will Mousson, is increasing its con-remain unchanged, with 53 per Bull thus becomes the direct trol over Cii Honeywell Bull, cent beld by Machines Bull and owner of Saint-Gobain's Olivetti the country's main computer 47 per cent by the U.S. group, stake as well as Saint-Gobain's company, in a move which also Honeywell Information Systems, part of the Honeywell group. But the shareholdings in The effect of the deal is to Machines Bull will change subbring together Saint-Gobain's stantially by means of a capital financial interests in Cii with increase that will push up Saint-Gnbain'a atake in the company from its current 20 per cent to

Bull, a quoted French company of the reorganisation, since it will be made in return for the takeover of a Saint-Gobain financial subsidiary, Cadamas, FFr 80.70 (\$14.77).

which holds the 20 per cent Olivetti ahareholding. Machines interests in Cii.

Because the issue is reserved to Cadamas shareholders, the French state interests in Machines Bull will be consequently reduced from 20 to 10 per cent, while bank share-holdings will also fall to 10 per cent and those of private investors to 29 per cent. Machines Bull shares responded to the news yesterday by moving np by almost FFr2 tn

Earnings setback at PKbanken

BY WILLIAM DULLFORCE, NORDIC EDITOR, IN STOCKHOLM

SWEDEN'S LARGEST commer- ing of Swedish monetary and cial bank, the state-owned PK-credit policy last autumn. While banken, made a profit of the hank's nverall income fell SKr 142m (\$34.22m) on its by 7 per cent, its personnel and four months of the year, a drop of 43 per cent compared with the same period of 1979.

The consolidated result fell by

been expected after the tighten- in the hank's placement margin.

banking operations in the first other costs climbed by 15 per

Net interest income dropped by 11 per cent to SKr 469m. The bigher discount rate and 41 per cent to SKr 157m, with the rise in the rates paid on the the financing and factoring so-called special deposits by operations improving earnings companies were the main reasons for a fall of 0.62 per-The decline io profits bad centage points to 2.02 per cent

The management, however expects tn stem the profit slide during the rest of the year. For the whole of 1980, the operating result for the bank-ing sector is forecast to be about 20 to 25 per cent helow the 1979 figure of Skr 758m.

In contrast to the damestic setback, PKbanken improved earnings from its foreign business by mnre than 25 per cent to SKr 22.7m in January-

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May, 1980

BORROWER PROFILE

Room for further borrowing

BY DAYID DODWELL IN HONG KONG AND PETER MONTAGNON IN LONDON

fiscal year to September 30, the country's public sector borrow-ing on international capital Concurrently Thaimarkets. land is arranging a \$310m Eurocredit, the largest it has ever raised.

The Samurai bond carries a coupon of 9.2 per cent and is. priced at 99.9 to give conditions similar to those recently obtained by Brazil, while the credit bears a flat margin over Libor (London interhank offered rate) of } per cent for eight years.

hefore the latest political troubles there. In February, Korea's Exchange Bank raised a \$500m credit at a split spread of 1-1 per cent

Although Thailand has been borrowing more on inter-national markets of late, it is still relatively underborrowed compared with other Asian countries and banks have room to increase their exposure. According to the latest OECD figures Thai borrowers raised \$305m in publicised Euro-currency credits during the first four months of this year com-pared with \$287m in the whole nf 1979. In May it also raised a \$100m credit, with the pro-ceeds destined for military spending.

Last year the Kingdom also issued a Y10bn, 8.8 per cent bond through Nomura Securities, while Thai borrowers placed \$130m worth of floating rate notes in the dollar market. According to the Bank for Inernational Settlements, Thailand's gross external borrowings from . commercial banks amounted to \$3.04bn at the end of last year, while its reserves were put by the IMF at SDR 1.49bn. By contrast Knrea's borrowings stood at \$10.29bn and its reserves at only SDR

None the less, General Prem Insulandoo Prime Minister of nf 1979. Thailand for just three months, must see the country's severe

YESTERDAYS LAUNCH by economic problems as a critical many years put a 15 per cent gonism inside Thailand. Nomura Securities of a Y10bn, test of his leadership. His preceing on local interest rates, the says that he we kingdom of Thailand should bring to a close, for the current large part because of his failure rates has also belied to make 17 per cent of the very construction of the very cons Central in Thailand's economic problems is a chronic balance of

payments deficit, high inflation, and a growing debt service burden. These problems are aggravated

by a widening wealth gap between Thailand's urban population-which basically means those living in the capital, Bangkok—and the rural peor. Around 25 per cent of Thai-land's population lives below the line of absolute poverty, as

defined by the Warld Bank. The conflict in neighbouring This gives Thailand some-what finer terms than South Kampnchez coupled with the Korea was able to obtain even strains created as a result of a heavy refugee " inflow," - has damaged the confidence nf foreign investors

Thailand's balance of payments deficit was Baht 7.9bn (\$385m) in 1979, uncomfortably large, but 40 per cent better than predictions made last autumn. At the root of this deficit is the energy import hill-Thailand is the fifth largest oil importer in developing world.

Flight of capital

Energy imports last year cost \$1.8bn, consuming all earnings from the country's top four exports—rice, tapioca, sugar and rubber. Even before the latest round of nil price increases, Government economists were predicting that energy. imports would cost at least \$2.5bn this year. A refining capacity shortfall of about 70,000 barrels a day forces Thailand into heavy purchases of refined nil products, nften

on the expensive spot market. Inflation in 1979 came close to 20 per cent, and there are no signs that it will fall in 1980. The money supply grew hy flight of capital from the country in the last few months

attractive.
Thailand also carries a heavy debt repayment beinden. This is a direct contested of a graver ment policy strepted in the mid-1970s to affer for capital-intensive growth, involving numerous heavy adolstrial projects. As a result field bervicting charges now equal 17 per cent of all expirits and are expected to account for 1975.

In spite of these economic problems, intercational confidence in the That economy has remained relatively strong. Economic growth in 1979 was

almost 7.5 per cent.
Thailand is also the only country in South East Asia to be self-sufficient in food. It is a net exporter of rice 2.6m tons in 1979. Only the U.S. exports

A slump in international con-fidence that might have accom-panied the overthrow of General Kriangsak was averted—in part because of the statesmanlike way in which General Kriangsak stnod down and in part hecause nf the high standing of his successor and confidence in the

team be appointed. A key figure among these is Mr. Boonchn Rnjanasthien who, with the title of Deputy Premier for Economic Affairs, is effec-tively Finance Minister. As well as heing deputy leader of the Social Action Party, the nation's strongest political grouping, he is a former Finance Minister. and nn his latest appointment, relinquished the positions of chairman of the powerful Bangkok Bank, and of the Thai Bankers' Association.

. He has declared his intention

He says that he will trin subsidies and lower tariff walk recent decline in U.S. interest (at present, these account for rates has also helped to make 17 per cent of the value of domestic interest rates more manufactured imports, while export incentives account for just 2-3 per cent of the value of manufactured exports). He promises he will help foreign companies to by pass the com-

THAILAND

Need for borrowing

Bounchu acknowledges the need for heavy international borrowing, but clearly prefets commercial loans to the IMF standby credit arrangement, which was discussed at length between IMF officials and officials in the Kriangsak Government in December last year. Boonchu distikes the conditions huilt into such an IMF loan package, and prefers to see the IMF as a lender of last resort in the most literal sense.

Despite his refuctance in borrow from the IMF, fund officials who have recently held confident about his economic

Thailand is one of the top ten borrowers from the World Bank. and it is clearly important that Bank officials see Boonchu as receptive to their ideas. The World Bank channelled about \$600m into Thailard last year. - As the Thai Government pre

pares its next five-year-plan due to begin next year, so it will be looking closely at a three-part development programme which has been prepared by the It is generally helieved that bank. This involves programmes if Mr. Boonchn cannot solve of industrial development Thailand's economic problems, energy adjustment, and agricultural development. ...

Thailand has two difficult about 19.5 per cent, and there to shift Thailand from a growth years ahead, senior development was serious concern over the path of import substitution to agency officials say. They feel growth fostered by export pro- confident that if Mr. Boonchu is motion. He promises a new role able in apply his economic of 1979.

for multinational companies, policies, Thalland can be Modification of the long estab- which have long been viewed quickly on the path of rapid lisbed usury law, which bad for with suspicion and even anta- economic growth.

Sharp upturn for Fedvolks McIlwraith

BY JIM JONES IN JOHANNESBURG

INTERNAL GROWTH and growth is planned on the basis financial year Fedvolks ended acquisitions helped lift profits of gradually weeding out up with an indirect stake of minority investments and con- over 50 per cent in the group contrating activities in con- formed by the merger of Senthe year ended March 31. The South African industrial group's taxed attributable profit rose to R16.1m (\$21m), up 74.7 per cent compared with annualised figures for the previous 15 months. Turnover rose 60.4 per cent to R730m (\$944m).

The management, whose previous forecasts bave been cautious, expects good results for the current year. Further .

During fiscal 1980 a minority stake in Trek, a petroleum prodnets distributor, was sold. In January, Fedvolks increased its holding in Massey-Ferguson's South African nperation to 75.1 per cent from 30 per cent, while the Canadian parent of the agricultural equipment manufacturer retained 24.9 per cent.

Shortly before the end of the months.

(Fedvolks) to record levels in contrating activities in conformed by the merger of Sentrating activities acti trachem, the country's second largest chemical company, and Federale Kunsmis, a fertiliser manufacturer. This will allow Fedvolks to consolidate Sen-

trachem's earnings.

Dividends totalling 22 cents have been declared from earnings per sbare of 66 cents against a payout of 21 cents from earnings per share of 48.4 in the preceding 15 cents

Eurodif near Iran settlement

AN AMICABLE settlement to

the row over the Iranian stake Eurodif, the French-controlled Iranian uranium enrichment consortium, seems to be in sight following the visit of an Iranian negotiating team to

Instead of trying to withdraw their participation in the con-sortium, as they have been threatening for several months, the Iranians now seem prepared to stand by their financial commitments. But they want to reduce substantially their off-take of the enriched material because of the severe reduction` in their nuclear power pro-

appears bopeful that a settlement along these lines can be reached despite the political situation in Iran. For the time being, however, the Iranian finance in Eurodif remains frozen by a French commercial conrt following action by the company against its share-

A settlement with Iran would clearly ease Eurodif's financial situation at a time when it is still investing beavily in its FFr 22bn (\$5.2bn) treatment plant without substantial asles to offset its costs. Recently, the company's financing programme

Although no agreement bas suffered a setback when its yet been signed, the French side Italian interests lowered their stake from 25 per cent to 16 per cent—a reduction caused, like the Iran proposal, by the cut-back in the country's nuclear The French nuclear fuels con-

> cern, COGEMA, bas stepped into the breach caused by the Italian withdrawal, increasing its share holding from 42 to 51 per cent, while the Belgian and Spanish interests continue to hold about 11 per cent each. France, however, is already

spending heavily enough on its nuclear power programmes to want to avoid additional financial commitments.

Amatil makes offer for Steggles

AMATIL, the diversified tohacco already entitled to 35.4 per cent and food group, has tightened of the capital of Steggles, inits bold on the Australian poultry market with a A\$38m (U.S.\$44m) takeover bid for the New South Wales-based Steggles Holdings. The offer is A\$2.95 a share and is subject to approval by the Foreign Investment Review Board. Amatil is 40 per cent owned

by UK-based British American Tobacco group and has aought Australiao Government's invest-ment guidelines. Amatil is

cluding the 17.9 per cent held by the directors. The hoard recommend shareholders to accept the bid.

Steggles' operations range from frozen chickens, turkeys, and ducks to the Big Rooster take-away barbecued chicken stores. Amatil already holds 49 per cent of the Golden Poultry farming group and the acquisition of Steggles would give it more than 15 per cent of the national poultry market.

The offer price compares with a pre-bid price for Steggles nn the Sydney sharemarked of A\$2.35.

MYER EMPORIUM, Australia's largest department since retailer expects profits to fail this year. The directors said yesterday that unaeasonally warm weather in the third quarter hit sales. Earnings for the January half year dropped by 12 per cent from A\$23.2m (US\$26.6m) to A\$22.7m.

Small gain for Indian cement producer

slipped by 2.7 per cent in 1979 but profits increased marginally and the dividend was raised to 15 per cent from 14 per cent. Cement production fell to 947.875 tonnes from 974.031 tonnes in 1978 because of external constraints including a a coal and power shortage.

Net profit rose 7.6 per cent Rs 29.8m (\$3.8m) from Rs 27.6m because of a cement

PRODUCTION OF Shree Government's cement pricing Government differing from the Digvijay Cement Company and distribution policy. It is cement industry on the extent administered by a system of of cost escalations, and the three-tier prices for producers, delay in allowing higher prices. varying according to the cost of cement production, and a consumer price uniform throughout the country. The difference has secured Government peris funded by a price equalisa- mission to set up a cement plant tion account. The Government is committed

price increase allowed under the encourage investment. With the the business houses.

new cent plants have not realised the promised return Despite this Shree Digvijay with 12m tonnes capacity in Rajasthan;

to allow a 12 per cent after-tax shree Digvitay is owned by return on net worth for capital-intensive industries to fifth in terms of assets among

raises stake in Overseas

By James Forth in Sydney MCILWRAITH DAVEY INDUS yesterday lifted its stake in Overseas Corporation, the household products and building materials group, to 28.7 per cent despite a plea from the directors for major shareholders to re-tain their shares.

.At the same time another buyer appeared on the sharemarket in opposition to hickwraith and bought more than 5 per cent nf the capital. McIlwraith's opponent is thought to be Adelaide Steamship Company and the shares were purchased at A\$1.40 each compared with Mcliwraith's nn-market bid price of A\$1.33. Adelaide is one of the most

acquisition-minded - companies on the stock exchange lists. Only last week it revealed a 13.5 per cent stake in Bruck Austra-lia, the Victoria textile group. But Adelaide also found itself on the receiving end when Howard Smith, the diversified industrial group, lifted its lnng-standing shareholding from 10 per cent to 14 per cent through market purchases, with the in-tention of going to 20 per cent. The directors of Overseas

yesterday again advised shareholders not to sell as a reconstruction was well under way and would provide substantial benefits for all shareholders. They warned institutional holders that acceptance of McIlwraish's offer would frustrate the company's attempts to secure a better price than A\$1.35. They also said that if the bid was thwarted for the time being there could he no

reasonable expectation that McIlwraith would ever fulfil McIlwraith would ever fulfil any "escalation agreements."

McIlwraith made its first move in mid-May buying 13 per cent of Overseas and blocking a proposed A\$65m (U.S.\$75m) merger with Metro Meat, a meat and cold stores group. It subsequently agreed to stand in the market for one mouth and take all shares offered at A\$1.35.

This market offer closes on This market offer closes on

Friday but McIlwraith intends to extend a formal takeover bid. McIlwraith directors disclosed resterday that one of the purhases from an institution involved a consideration of one McIlwraith share plus A\$4.25 cash for each five Overseas shares, equivalent to A\$1.35 a share. This share and cash alternative will also be included in the formal offer.

Kvushu Electric loss Kyushu Electric Power Com pany suffered losses of about Y6.38bn (\$28.5m) in the year in March compared with a Y20.18bn net profit in the pre-

vious year. Sales went up to Y612.025bm (\$2.80n). from Y548.659bm in the previous war. The net loss per share was Y18.70, compared with a 178.30 net profit

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Fresh hopes for shareholders

OVER the last few years the stery which Buehrmann-Tetterode, the Dutch paper, printing machinery and whole-saling group, bas had to tell institutional shareholders has not been a happy one. It is one of industry and achievement and also of a specific calamity and little joy for shareholders over the last decade. But on Friday in London.

when B-T offers the company as an investment medium, the Tha management now have Topes which could prove a tonic for the share price.

BT is the product of a marger in 1963 between G. H. Buchrmann, graphic paper wholesalers, and Tetterode, printing machinery distributors. But the merger was not a marriage until the arrival of Mr. A. W. Overwater, chairman of the board of managing directors, in 1970. Mr. Over-water is an inhovator, a contrary phinker and a man who seems io inspire more than cautions respect from his senior col-

He took B-T into manufacturhag in 1972 and the industry, paper, could bardly be classed as a universal choice. As Mr. Henry Poole of London stockbrokers Laing and Cruickshank puts it, the paper industry even then was characterised by "years of appalling profitability, broken by the occasional artificial poom." But B-T went in with its eyes open and Mr. Overwater points out that it has enjoyed volume growth each year in the paper and packag-ing industries in spite of the

ryclical nature of the business. There are good reasons why: vertical integration based on waste paper instead of imported harnessing new technology; good marketing; and, above all, good management, relating capacity additions to attainable cash flow, rather than to hypothetical prices at the peak of the cycle.

BT now has a balance between capital intensive papermaking and packaging opera-



B-Ta A. W. Overwater: innovator and contrary thinker.

small and working capital investments can be reduced quickly on any downturn in

Observers reckon that the management has done a good job in getting any sort of earnings and dividend growth since 1974, a boom year for paper and paper-based industries.

But B-Ta self-confidence must have been sbaken during tha past three years by the results of a project that was only slightly outside its own ground, in terms of both its geographic location and its industrial competence.

paper- acquired to compete with im- flow, 27 per cent for net profit expected to drop from F1 10.7m Mr. Altes, "B-T cannot expect tion by the way it has pulled opera- ported kraft liner, using indiand only 17 per cent for divitor F1 3m and the result could the same autonomous growth as Mont Saint Guibert around—busi- genous waste paper and timber dends. The sbare price reached be a rise in earnings per share it bad in the previous decade. suspending cellulose production. mill in Belgium was

earnings of Fl 10.40 a share.

Mr. Philip F. Kothals Altes, to pump up the pay secretary to the managing again to make conv board, is undaunted. The cash more attractive deal. flow pattern, be says, was A first impression, given a necessary to ensure long term market like Amsterdam where profitability: "Capital expendibanks, in their stockbroking ture of the past five years will function, have about 70 per be important for dividends in

B-T diversified into papermaking in time for the industry's 1974 boom, and made a lot of money from it. But it had to spend a lot in the process, bence a decline in the payout ratio from over 60 per ceot in 1970 and 1971 to under 50 per cent (and still on a declining trend) in the past four years.

Shareholders' funds rose from FI 375m to FI 405m in 1979 and Mr. Altes pointed out that despita MSG, this was ahead of the 4½ per cent domestic inflation rate in the Netherlands

ast year. However, B-T has its financial management problems. Take the relationship of equity to invested funds: in 1970 it was FI 180:308, a 60 per cent equity ratio, whereas last year it was F1 405:987, or nearer 40 per

So B-T is highly geared, and it knows it. Last year capital expenditure feli from Fl 85m to Fl 72m. Spending, says the management, grew more slowly shareholders' fundspartly because they bad already recognised that the debt:equity, and the capital apending:cash flow ratios were getting too

higb. That is good news, of a sort, but there is better news of earnings. Group sales, Fl 2.15bn last of over 20 per cent in the first five months of 1980. The Moot be wrecked by international recession. "In the 1980s," said year, have been rising at a rate

a peak of Fl 78 in 1979 against of up to 30 per cent.

Fl 77.50 in 1975, with lows of Fl 55.10 and Fl 58 respectively. It was Fl 54 before shares to the 3.6m outstanding.

Competition will be very fierce.*

The weakness of domestic competitiors like Van Gelder shares to the 3.6m outstanding. the results earlier this year and it might want to get this conthe recovery since then—to the mid-60s—does not put a high value on B-T's fully diluted 1979 price over the conversion price over the conversion price over the conversion price. of F1 80, and it might be willing

> A first impression, given a of sbares outstanding could be positively beneficial.

Even as things Amsterdam could ba a useful market for the shares. B-T calculates that 3,000-5,000 shares a day can be traded there without disturbing the market price, and 3,000-5,000 at FI 65 is something like £40,000 to £60,000—"ecough," said ona London dealer, "to make it interesting."

for B-T, given its size and increasingly international ambitions, as their relative strength was in the past. With money costing what it does, there must to pump up the payont ratio be some question mark over again to make conversion a B-Ta immediate growth prospects as a sole agent for print-ing machinery; and while its leasing operation is off-balance sheet-being owned 50 per cent function, have about 70 per by R-T and the other half split cent of tha equity market, is between Bank Mees en Hope that an increase in the number and the Nederlandsche Middestansbank—it serves to point up the high-cost nature of this

sector of the group. Nevertheless, the odds are that B-T will survive this reces-sion in good shape, as it did the last. The question is what it will do in the future.

Given its aize in relation to

72 reducing the workforce, rebuilding the pulp and paper machine to make special waste-based products and doing market research into possible new outlets.

B-T itself just seems relieved that the results of MSG no longer need be separately reported, "MSG," they say, MSG," they say,
"inappropriate" received an amount of attention from the Dutch financial community.

Its Belgian problems bave its domestic market, B-Ta made B-T think very carefully ambitions have to be interindeed about expansion, say, national. The group bas made into the U.S. Taking it a sector a policy decision to increase the at a time, Mr. Altes said that

management before such a big step. One recent top level step. One recent top level resignation at B-T has pointed up the problems of rapid, and diverse expansion.

Curiously, there are those in the industry who think that B-T does bava plans to get into the U.S. and, indeed, into Mexico before long. Maybe, where the U.S. is concernad, we are dealing not with a continent, not with a country, but with a federation of states.

But coming down from the heights, it bas to be remembered that bopes for B-T might either become deflated, or diverted. B-T always has its provisions to play with, although I am assured that there will be the same Fl 6.6m-plus factor at the bottom line this year as there was in last year's

As for diversion, it is becoming a popular, if not yet common philosophy that the UK is beading for a bull market. This would give UK institutional investment managers yet another excuse for avoiding overseas adventurea and the perils of trying to understand aomething different.

Yet the last excuse, that sterling was too strong after the withdrawal of UK exchange control, bas gone by the board. And when aenior partners of respected stockbroking firms decide to concentrate on overaeas equities, there must be something to say for the genre.

Of this type, B-T looks tasty. B-T's gama is to have a rela- It is big enough to trade, and tively important market share small enough to avoid being incredibly boring for quite soma that market share; it also needs B-T is the last thing on my

Observers reckon that the management has done a good job in getting any sort of earnings and dividend growth since 1974, a boom year for paper and paper-based industries.

Mont Saint Guibert

nesses where fixed assets are from the Ardennes. A 50 per cent fall in the dollar price of kraft and a 80 per cent appre-clation in the guilder against the dollar took MSG out of the game. In 1979 MSG'a operating loss was Fls. 10.7m (£2.35m) and a non-recurring net loss of Fls 7.8m arising from the closure of its cellulose plant was charged against miscel-

> Otherwise earnings would bave been up by 25 per cent, instead of falling slightly—from Fls 41.5m to Fls 41.3m-for the first time in five years. But what might have been seems acant consolation for what bas bappened: 1975/79 cumulative rises of 55 per cent for casb

There is another wrinkle. In stock market, oversupply of shares can be a problem worse than the reverse. B-T did acquire a lat of family companies in the early- and mid-1970s. Its issued shara capital went up by nearly 50 per cent between the end of 1969 and end-1977.

Family shareholders tend to be weak holders of the acquiring company. Some of the B-T's beld, but a lot more sold. No further shares have been issued since 1977.

ratio of its turnover outside the waste-based paper knowbow Natherlands; Dutch first, the and 57:43 in 1977. About 20 points of last year's foreign 47 were accounted for by exports from Holland, but that only seems to combine the national and corporate interests.

On the international front, the keynote was Western Europe in the 1970s. The decada ended with growth almost non-existent in the subcontinent and, for B-T itself, the

hanced its management reputa-

meant little on a continent rich numbers were 53:47 last year in timber; in graphic and against 56:44 the year before related sole agencies, there are many U.S. agencies with their own sales organisations, and wholesaling of graphic paper and stationery is part of a more integrated structure over there. Wholesaling stationery products, and publishing

latter being a separate and in-

creasingly important division) is

possible in the U.S., but, said Mr. Altes: tha U.S. is not a country, it's nearly a continent; Belgian debacle, To some B-T may have eneverywhere; in financial terms, B-T is not big enough to secure suspending cellulose production, equilibrium in profits and in mind.

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Nuclear ugly duckling grows up

BY DAVID FISHLOCK, SCIENCE EDITOR

flowed from Dungeness B power station in Kent, 15 years on and over £400m in cost since construction began

sophisticates cracks about a "geological timescale" of construction and hint darkly at radioactive decay of fuel in the stores. The less sophisticated chortle that simple parts of the plant such as seawater cooling ducts, installed a decade ago, are now in need of

The builders are phlegmatic about the jokes. They are well aware that only power in larga quantities will convert the sceptics, given a history which includes criticism from a former cbairman of the Central Electricity Generating Board that the type of nuclear reactor they were building was a "catas-trophe which must not be

Consortium

They have to live down the fact that the CEGB at one point seriously considered abandoning the project, and that the late Mr. E. C. Williams, when chief nuclear inspector, was known to express doubts whether a project with such a history of mishaps in construction could ever meet British standards of nuclear safety. They are still well aware that, despite the size of the project, the local MP kept away from the site for four years, until a few weeks ago.

But for the men of Dungeness B life began again four years ago. "As far as I'm concerned, what bappened before 1976, I don't want to know about," says Mr. Joe Seddon, resident site manager and one of a trio of north-countrymen brought in in 1976 to clean up the mess, as

The CEGB placed the original order for Dungeness B in 1965. It was the first station to use the advanced gas-cooled reactor (AGR). The lowest tender, 9m, came from a consortium called Atomic Power Construction (APC). By 1970 the difficulties of being lead station for a new generation of nnclear open. It acquired the remnants gas-cooled 'reactors.

The CEGB tried a fresh tactic. It set up a new directorate of APC, with Dr. Ned Franklin, chief executive of the Nuclear Power Company, as its new chairman and managing director. APC—as a subsidiary of the CEGB—then placed a contract with the Nuclear Power Company to complete the two reactors; and another with the CEGB itself to complete the generation side of the plant.

On the site itself Mr. Seddon

is in charge of a unified superis in charge of a unified super-visory management composed of APC, CEGB and Nuclear Power Company staff. Com-pleting the north-country trio are his deputy, Mr. Alan Wallis, and Mr. Bill Coates, project manager, based at APC's head quarters at Sutton, South London. Between them this team has turned the project round to such an extent that the CEGB chairman, Mr. Glyn England, said confidently last month that the station was scheduled to begin supplying electricity to the grid early next year. The CEGB expects it to be its next new power station on-

Late last year they were ready to start the protracted commissioning on the first reactor. Now they are plodding through combined engineering tests, with the aim of loading nuclear fuel late this year and raising power for the first time early next spring.

Dungeness B stands on a man-made headland of the Kent coast devoted to nuclear energy and birds. It has been a nuclear construction site since about 1960; so long ago that people talk of it as "a factory for making nuclear stations." Dungeness A, a 410 MW Magnox station, began producing power in 1965, the year the B station started construction.

With the concrete containment round the reactors completed, the station has the appearance of a castle with two towering turrets. At night, with its long illuminated flutes in these turrets, it can be mistaken for a cathedral, say the locals. reactors, 20 times the size of It was the last of the nuclear the prototype, had brought APC stations for which the CEGB to the verge of bankruptcy. The permitted a little architectural CEGB, which still wanted its flair to soften the profile of the station, took the only course great concrete boxes round the of APC, and gave a contract to stations are much squarer, more

JOKES ARE all that have so far station apparently no nearer producing three times as much power as Dungeness A from one-third of the volume of building in the same time of five or six years. Its reactors are the smallest in diameter of all the AGRs. The new ones at Heysham and Torness, to be started shortly, will have an extra few feet in diameter to make fitting much easier, espacially in the final stages when almost all the equipment

> This is the stage reached by the second reactor at Dungeness B—the first is finished and being tested-wben access bacomes a strennous exercise in pot-holing in made-made caves.

Inside, in a glittering cave dozens of skilled craftsmen clad in white nylon overalls are putting the finishing touches to hundreds of stalagmites of stainless steel. They squat uncom-fortably like tailors, trimming steel foll to fit awkward corners or welding in nooks and crannies with the help of a dentist's mirror.

The high proportion of fiddly fitting of this kind makes tha AGR an intrinsically more difficult and time-consuming machine to build than reactors which can largely be assembled in a factory. About 150,000 separate metal panels have to be fitted together very accurately around the inside of each reactor. At Dungeness they admit that they have learned no way of getting more of this painstaking work done away from the site.

Robots

Some of the special metal foil insulation against damage by bot gas is required in places inaccessible even to these skilled craftsmen. For particularly difficult problem, picked up from the drawings, he Nuclear Power Company's laboratories at Whetstone have developed the technology for insulating the area by remotely-controlled welders, slender controlled welders, slender enough to squeeze between heat-exchanger pipework and the wall to be lined. The gap is no more than a couple of inches. Craftsmen are now being trained to use these robots so that the job will seem routine to them once machines are taken into the reactor.

Still more convincing evidence that Dungeness B is at last British Nuclear Design and factory like in design.

Construction, a subsidiary of The first mistake the CEGB

GEC, to manage the project made with Dungeness B, Mr.

In 1976 GEC asked to be Coates says, was to think that relieved of its contract, with the it could build a power station and is scheduled to run down



Planning the final stages—(left to right) Mr. Joe Seddon, resident site manager, Mr. Alan Wallis, deputy site manager, and Mr. Bill Coates, projects manager.

steeply from 1,880 at present list for a fresh project early in to as few as 200 by the end of the 1980s?

The unions are well aware of the situation. After the new team had taken over, time lost industrial disputes peaked at 6.7 per cent. But last year, with the new team firmly in place, time lost fell dramatically to 1.3 per cent. This year it is running at

Mr. Seddon says that the worst strike years also reflect problems over incomes policy and bonuses. The bonuses at Dungeness B now fall "within a reasonably narrow band, acceptable to the vast majority." The worst feature found was apathy, "the feeling that project would never be

The new management's ploy has been deliber-ately to encourage the unions to blame earlier managements before 1976 for the continuing troubles, and to let them take the credit themselves for progress since 1976.

If the project continues to meet its present schedule, with the first, reactor on-load early next year and the second a year later, the final cost to the CEGB will be about £450m. The original price quoted by APC was £39m. Nevertheless, Mr. Coates, a civil engineer, claims that proportionately the price has risen less than that of the

years for another 18 months and work itself out of a job? Or do the unions at Dungeness from the coal-fired station last believe that, with room for two year was about 14 per cent more power stations on the more expensive than electricity headland, they are high on the from the nuclear station.

The CEGB itself has certainly made no such promise. In fact as recently as two years ago its attitude was that it wanted to finish the project and clear the site of a workforce which had long abandoned the normal itinerant habits of construction industry workers and put down roots in the area. "Over the last two years we've been very much encouraged by the spirit right across the site," says Mr. Denis Lomer, board member responsible for CEGB construction. His board is no longer

Dungeness, he says.
Whether it will be another AGR is a more open question. The CEGB is certainly keen to demonstrate some of the claims for the pressurised reactor which it has been making for the past eight years. The Government, maying authorised it to proceed with a "demonstration" PWR last a "demonstration" realizably impatient with the slow progress it has

taking a new project at

made this year. But Mr. Glyn England, chairman of the CEGB, in a progress report to his own staff last month, made it plain that the ingly enthusiastic about the performance of the two AGRs it has working, at Hinkley in

long-overdue Thames Barrier—
"and that's just a civil He compared the "heartening engineering job."

But will this "factory for the previous 12 months with that of Drax B, the board's coal-fired station, equipped with the same kind of generating plant. Electricity.

A FINANCIAL TIMES SURVEY

HONG KONG JULY 7 1980

The Financial Times proposes to publish a Survey on Hong Kong in its edition of July 7. The editorial synopsis is set out below:

INTRODUCTION The past three years have seen Hong Kong make a great leap forward both economically and in its relations with China. Can it now consolidate its gains in the face of more adverse external circumstances?

THE ECONOMY Successive years of growth find the economy more diverse and mature but wondering whether it can make a soft landing from high inflation, an extravagant property boom and rampant money growth in the face of a possibly severe world recession.

CHINA RELATIONS The extraordinarily rapid development of relations with a modernising post-Mao China has done wonders for confidence in Hong Kong. Immigration from China remains a major problem for overcrowded Hong Kong. Also Hong Kong as a source of investment, skills and market for China.

GUANGDONG RELATIONS A look at various developments in transport and industry in the neighbouring province and Shenzhen industrial area.

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cated medium-term loans.

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Sterling weak

The dollar showed little clange in very dull trading in the foreign exchange market yesterday, but sterling was weak, stiling '1.15 cents to close at \$2.2300.2.3300. The pound of the morning was weak, of \$2.3300.2.3340, and eased to \$2.3315.2.3325 before rising to a peak of \$2.3340.2.3350 if the morning. By noon sterling had eased to around \$2.3325, and continued to weaken in the early afternoon, to a low of \$2.3250.2.3260, but was then fairly steady at about \$2.3300 for the rest of the day. On Bank of England figures, the pound's trade-weighted index fell in 73.5 from 73.9, after organing at 73.7 and falling to 73.6 at noon. The dollar's index rise to 83.4 from 83.1.

The dollar finishe dnear the bettom of its range against most major currencies, but was little changed on the day. It rose to 85.7 in the dollar state was fixed at DKr 3.1007, compared with DKr 3.1085, and the French franc at DKr 1.3340. The only member to move against the trend was the Irish punt, which rose to DKr 11.6350 from DKr 11.6350 from DKr 11.60. Outside the EMS.

marginally in terms of the Japanese yen, to Y216 from Y215-90, after moving between Y215.80 and Y216.90. Germany was closed for a philic holiday, and in quiet trading in the rest of Europe the deliar rose to DM 1.7680 from the 1.76

DM 1.7660 against the D-mark. FRENCH FRANC-Very firm in recent months, and strongest member of European Monetary System — The French franc advanced against the D-mark, Dutch guilder and Belgian franc at the Paris fixing, but lost at the Paris Ixing, but lost ground to the Danish krone. The other EMS currencies, the Italian lira and Irish punt were unchanged. Outside the EMS the dollar rise to FFr 4.1230 from FFr 4.1055 at the fixing. but sterling and the Swiss franc

DANISH KRONE—Steadier within EMS recently, after two devaluations during 1979—The krone improved against most EMS currencies at the Copenhagen fixing before news that Demark's balance of payments deficit narrowed slightly in April. The D-mark was fixed at DKr 3.1007, compared with DKr 3.1085, and the French franc at DKr 1.3322, compared with DKr 1.3340. The only member to move against the trend was the Irish punt, which rose to DKr 11.6350 from DKr 11.60. Outside the EMS, the dollar rose to DKr 5.4960 from DKr 5.4710, but eased to around DKr 5.48 immediately around DKr 5.48 immediately dollowing publication of Denmark's trade figures. Sterling was fixed at DKr 12.8070, com-

pared with DKr 12.7970.

JAPANESE YEN—Energy and balance of payments problems reflected in sharp decline last year. More recently lower U.S. interest rates have helped the yen recover—The yen eased against the dollar io quiet trading. The U.S. currency rose to Y216.75 from Y215.55, bot declined slightly from the onening level of Y216.90. Speculation about a possible cut to the Bank of Japan discount rate in the rom FFr 4.1055 at the fixing, in the fixing and the Swiss francial in Eurodollar interest rates, stabilised the dolar within a range of Y216.50 to Y217.30.

4.	· · · · · · · · · · · · · · · · · · ·	•			
PMS E	DROPE	AN CUI	RRENCY	HINIT	RATES
			********		,,,,,,,,,,

¥	ECU central rates	Currency amounts ageinst ECU June 17	% change from central rate	% change adjusted for divergence	Oivergence limit %
Selgien Franc	39.7887	40,2723	+1.21	+0.47	±1.53
Canish Krone	7.72336	7.79519	+0.93	+0.18 -	±1.64
German D-Merk	2,48208	2.51429	··· +1.30	+0.56	$\pm 1,125$
French Franc	5.84700	5.85314	+0.11	-0.63	±1,3567
Quitch Gullder	2.74382	2,75680	+0.48	-0.26	±1.512
	0.668201	0.671074	+0.43	-0.31	+1.668
Italien Lira	1157.79	1188.03	+2.61	+2,38	±4.08
				nge denotes e	

THE POUND SPOT AND FORWARD

June 17	Day's	Closa	One month	p.e.	Three	% p.l.	
u.a.	2,3250-2,3350	2,3290-2,3300	1.70-1,60c pm	9.50	4.27-4.17pm	7.25	
Canada	2.6790-2.5850	2.6830-2.6840	1,55-1,45c 0m	e.50	4.20-4.05pm	7.78	
Nothlad.	4.492-4.542	4.5012-4.511,	0.35-0.40c dis	-3.91	0.75-0.80dis	-2.58	
Bolgium	65.80-66.40	65.85-65.96	0.17-0.27c dls	-1.36	0.73-0,83dis	-1.61	
Danmark	12.75-12.84	12.774-12.784	14-15%c dla	-6.26	33-36dis	-4.87	
Ireland	1.0975-1.1045	1.0980-1.0990	4.50-5.00oradia		13-13.50dia	-9.85	
W. Oar.	4.11-4.19	4.112-4.121	0.05-0.16pf dis		0.02-0.12dts	-0.16	
Portugal	113,70-114.50	714.10-114.30	28-43c dis		70-120 dis	-7.75	
Spain	163.25-163.75	163,40-163,50	55-75c dis			-10.71	
Italy	1944-1953	19451-19464	6-7ilire dis		15-20 dis	-9.32	
Norway	11.30-11.35	11.301-11.314	0.15cre-0.35dis				
France	9.582-8.64	9.531-9.601	1.20-1.30c dis				
Sweden	9.697-9.767	9.701-8.711	1.25-1,55on dis		4.85-5.15dis	-4.79	
Japan	500-508	603-604	0.65-0.60y d la		1.05-1.20d <u>is</u>		
AUSTIN	29,30-29.50	29.35-29.40	2.00-2.60gra dis		3.25-6.0 dis		
Bwitz.	3.79-3.B3	3.794-3.804	0.51-0.44c pm		1.57-1.50 pm	3.76	
	Selgian rate is for convertible france. Financial franc 66.45-68.55. Sis-month forward dollar 6,45-6.35c pm. 12-month 9.75-6.65c pm.						

THE DOLLAR SPOT AND FORWARD

June 17	Day's	Close	One month	% p.s.	Three	%
UK†	2.3750-2.3350	2.3290-2.3300	1.70-1.60c pm		4.Z7-4.17 pm	7.2
Irelandt	2.1130-2.1190	2.1160-2.1190	0.95-0,85c pm		3,10-3.00 pm	4.6
Canada	1.1499-1.1526	1.1502-1.1505	27-17-c pm		61-57 pm	5.6
Nethind.	1.9325-1.9410	1.9340-1.9355	13-3c pm		43-33 pm	2.3
Belgium	28,305-28,45	28.305-58.32	1-25 ore dis			-2.6
Canmark	6.4795-5.4970	5,4890-5,4905	0.64p pm-per		0.22-0.16 pm	0.69
W. Ger.	1.7665-1.7755	1 7675-1.7685	31-Z1-pl pm		8-7 pm	7.2
Portugal	48.90-49.10	48.56-49.05	15c pm-25c dis			-1.4
Spen	70.13-70.30	70.22-70.27	25-280c dis	-11.20		-3.0
Italy	836,20-E37,80	836.85-837.35	4-21 lire die	-0.46		-1.9
	4.8530-4.8830	4,8530-4.8540	64-67 ore pm	9.29	191-18 pm	8.6
Norway	4.1190-4.1290	4.1190-4.1210	41-314c pm		101-91, ptn	4.1
France	4.1885-4.1780	4.1705-4.1720	31,-24 ord pm	3 88	6-5 pm	2.7
Sweden	2.1580-2.1690	215,95-216.05	2.00-1.65y pm		6.40-8.05 pm	4.9
Japan		12.60-12.61	19-13gro pm		45-38 pm	5.6
Austria	12,59-12.6250		4-3c pm		10-94 pm	10.€
Switz.	1.5295-1.6405 and ireland a	1.6305-1.6315	and his		premiums and	

CURRENCY	MOVE	MENTS	CURF	REN	CY RA	TES
June 17	Bank of England Index	Morgan Guaranty Chenges 2	June 16	Bank rate 2	Species Brawing Rights	European Unit
Sterling 11.8. dollar Canadian dollar Austrian schilling pelgian franc fianish kroner Osutsche mark Swias franc Guiteer Franch franc Lira Yen Based on trade we Weshington agreen (Rock of Frence)	105.9 115.8 107.4 155.5 197.8 125.0 101.6 63.2 151.4	mber, 1971	Sterling. U.S. 8. Canedian S. Austrie Sch. Belgian F. Canieh K. O'Mark. Guilder Franch Fr. Lira. Yen. Norwgn. Kr. Spanish Pts. Swediah Kr. Swess Fr.	11 11,99 534 14 13 712 10 912 16 9	37,4070 Unavail 2,83398 9,36086 5,46756 1102,43 285,069 6,40743 92,6786 5,48963	0.60961 1.43658 1.63324 17.8596 40.2511 7.79647 9.61400 2.75479 5.85769 1107.50 308.484 6.80535 5.921131 2.30986

OTHER CURRENCIES

June 17	£	*		Note Rates
rgentina Peso	4270-4290	1835-1842	Austria	99.20-29.50
ustralia Dollar	2.0155-2.0176	0.2647-0.8650	Beigiura	65.45-67.05
razil Cruzeiro	119 47 180 47	51.445.51.645	Denmark	12,79.12.82
inland Markka			France	
reek Brachma			Osmany	
ong Kong Dollar	11 45 11 4500	4 0150 4 0160	Italy	
an Rial			Jepan	
uwalt Binar(KD)	0.522-0.631		Netherlands	4,5050-4,5550
untershourd Frc.	65,25-66,96		Norway	11.2B-11.37
ialaysia Dollar	4.9805-4.9850	2,1580 2,1400	Portugat	111,00-115.00
ew Zesland Dir.	2 4550 2 3570	0,9890-0,9900		158.50-165.25
audi Arab. Riyal.	7 755 7 758	5,5298 4.3305	Sweden	9.58-9.75
and Market Right	4 0445 4 0490		9witzerland	
ingepora Dollar	1 0000 1 0040	0.0255 0.2745	In ward Chates	
th, Airloan Rand	1,8080-1,8040	0,7755.0,7745	United States	20 00 05 00
A.E. Dirham	2,52-8,25 i	3.7010.3.7020	Yugaslevia	52,00-65,00

EXCHANGE CROSS RATES

		<u> </u>		·						
June 17	PoundSterling	U.S. Dollar	Deutschem'	ki Japan'seYen	FrenchFranc	8wiss Franc	OutchGulld'	l Italian Lira	Canade Dol	ar Belgian Franc
Pound Sterling U.S. Dollar	0.429	2.230	4.120 1.729	503,6 212,1	9.500 4.121	3,803 1,639	4,510 1,256	1946 835,4	2.984 1,158	65,90 28,89
Coutschemark Japanese Yen 1,000	0.243 1.986	0.566 4.687	8,193	122,2 1000.	2,830 19,07	0,923 7,552	1.095 8,957	478.3 3865.	0.561 5,350	16 00 130.9
French Franc 10 Swiss Franc	1.042 0.263	2.427 0.513	4,292 1,083	524.5 132.4	10. 2.525	3.961 1.	4.522 1.126	2027. 211.2	2.795 0.706	66,65 17,33
Dutch Gulider Italian Lira, 1,000	0,222 0,514	0.517 1.197	0.914 2.117	111,6 258.7	2,128 4,985	0.843 1.954	2.312	451,5 1000.	0,595 ! 1,379	14.61 35.86
Canadian Dollar Belgian Franc 100	1.517	5,535	5,252	764,0	14.57	5.770	5.044	. 2953.	4,072	100.

LONDON INTERBANK FIXING (11.00 a.m. JUNE 17)						
5 month U.S. dollars	8 month U.S. dollars	The fixing rates are the crithrestic meens, rounded to the nearest one-sixteenth, the bid and offered rates for STOm quoted by the market to five reference banks				
bid 2 5/18 offer 9 7/16	bid 9 5/16 offer 9 7/18	- 11 am each working day. The banks are National Westminster Sank, Sank				

EURO-CURRENCY INTEREST RATES (Market Closing Rates)

June 17 Sterling	U.S.Dollar	Canadian Dollar	Dutch Guilder	Swiss Franc	West Gorman Mark	French Franc	Italian Lira	Asian 8 -	Јаралезе Үеп
7 days noticed 155e-171g Month 165e 171g Three months 165e-165e Six months 15-152e One Year 135e-141g	218-918 876-918 876-918 916-918 918-918	9-10 9-10 194-1254 1119-1119 104-1056 978-104	11-1114 1078-1118 1056-1079 1036-1058 1018-1036	24-213 413-5 56-534 512-565 5-1-5-1 5-514	64-64 54-84 54-84 64-84	19 18-19 18 12 18-12 18 12 18-12 18 12 18-12 18 12 18-12 18 12 18-13 18	14-17 14-17 1712-1734 1754-1633 1713-12	9-914 9-913 874-9 9-3-8-3 818-814 918-914	1834-1314 1878 1318 1818-1334 1114-1136 1018-1014 874 914

The following nominal rates were quoted for London dollar certificates of deposit: one-month 6,50.8.70; per cent; three-months 8.50-8.70 per cent; six-months 8.50-8.60 per cent; one year 8.50-8.60 per cent; three-months 8.50-8.70 per cent; six-months 8.50-8.60 per cent; one year 8.50-8.60 per cent; three-months 8.50-8.70 per cent; six-months 8.50-8.70 per cent; six-mont

INTERNATIONAL MONEY MARKET

Further Belgian cuts Slight

authorities month money stood at 12]-12; ts in abort-yesterday, cent, and one-year money 11}: The Belgian authorities announced further cuts in abortterm interest rates yesterday, having already reduced some rates this week on Monday.
One-month Treasury hills were again lowered to 144 per cent from 15 per cent while the rate on four-month bond fund paper was cut to 141 per cent from 15 per cent. Two and three-month Treasury bill rates were left unchanged, having already been changed on Monday. Yesterday's move was seen as a further move towards keeping. further move towards keeping bill crates in line with other market rates. Domestic franc deposit rates and Euro-franc rates were both quoted yesterday at 141-141 per cent for three-mooth, and 141-151 per cent for comments were selected.

money market yesterday, and the authorities gave assistance on an exceptionally large scale. one-month money. In Zurich four major banks reduced rates oo non-bank cliant This comprised moderate purchases of Treasury bille and small numbers of local authority deposits between six and 12 months. Six to 11 month maturities were cut to 41 per bills, both from discount houses and banks, and extremely large loans to 10 r 11 houses at MLR, for repayment on Thursday. In cent and one-year deposits to 42 per cent. The new rates apply to deposits of SwFr 250,000 and the market's favour there was a large excess of Government disbursements over revenue transfers to the Exchequer, and over Amounts down to SwF1 100,000 carry } per cent

lower rates.
In Paris call money was quoted at 121 per cent, unchanged from Monday, while period rates also remained static. One and three-

MONEY RATES

Gold fell \$31 in quiet, featurein the London bullion market. It opaned at \$588-591, and eased to \$587-590 in the morning. The highest level touched was \$593-

595 in the afternoon, shortly after the New York market began trading.
In Paris the 121-kilo gold bar was fixed at FFr 79,250 per kilo (\$603.12 per ounce) in the afternoon, compared with FFr 79,950 (\$601.93) in the morning, and FFr.79, (\$601.09) Monday afternoon. The Frankfurt market closed for a public holiday.

In Zurich gold closed at \$589-594, compared with \$594-599

previously. .

June 17 (£25314-25414) (£25214-25554) (£253,160) (£254-210) Gold Coine (£261 lg.265 lg) (£261 lg.263 lg) (£64 lg.65 lg.) (£75 lg.76 lg.) (£76 lg.76 lg.) (E2814.265)

small way above target. In addition to the £500m gilt repurchase, the market was faced with payment for Monday's gilt sales and there were moderate number of local authority bills maturing in official bands. In the interhank

market overnight loans opened at 17-17; per cent and rose on the forecast to 17;-18 per coot. cent but rose once again towards noon to a peak of 23 per cent before closing at around 18 per

banks brought forward balances LONDON MONEY RATES

UK MONEY MARKET

Exceptional

Shortage

Bank of England Minimum

Lending Rate 17 per cent

(since November 15, 1979)

The unwinding of a £500m sale

and repurchase agreement was the principal factor behind a sbortage of funds in the London

June 17 1980	Sterling Certificate of deposit	Interbank		Local Auth. negotiable bonds	House	Company ne posits	Discount rearket de posits		Eligible Sank Bills #	Fine Trade Bills ©
over night	171-1615 1613-1618 1653-1618 1654-1618 164-1518	161 ₂₋₂₆ 171 ₄ -171 ₂ 17 171 ₃ 161 ₉ -17 163 ₄ -161 ₆ 161 ₄ -153 ₆ 161 ₄ -141 ₅ 151 ₆ -151 ₆	17-171 ₂ 17-172 ₈ 167 ₈ -17 162 ₈ -156 ₈ 15-161 ₄ 157 ₈ -14 135 ₄ -137 ₈ 155 ₄ -137 ₈	12.194 174-1758 163-1749 15-1512 1442-16	1746 1746 1746 1746 1576 1576 1412 1414	175 ₁	161 ₂ -17 — 163 ₄ -127 ₈ 163 ₄ -167 ₈ 164-163 ₈ —	1548 1558 1578	1754 1716 164 1412	1778 1774 164 164

Local authority and finance houses seven days' notice others seven days' fixed. "Long-term local authority mergage rate norminally three years 13%, per cent; four years 13% per cent; five years 13% per cent. 9 2ank bill rates in table are buying rates for prime paper. Buying rates for lour-month bank bills 15% per cent; four-month trade

bille 16% per cent.

Approximate selling rate for one-month Frequery bills 15% per cent; two-months 15% per cent; three reonits 15% per cent; two-months 16% per cent; two-months 16% per cent; contents 16% p bille 164 per cent

REPUBLIC OF INDONESIA

BANK INDONESIA

US\$350,000,000

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Al-Bank Al-Saudi Al-Alami Limited

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LLOYDS BANK INTERNATIONAL LIMITED

May 1980

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(Kabushiki Kaisha Dalei)

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Yamaichi International (Europe) Limited

The 20,000 Bonds of £1,000 each, have been admitted to the Official List by the Council of The Stock Exchange, subject only to the issue of the Bonds.

Particulars of The Daiei, Inc. and of the Bonds are available in the statistical services of Extel Statistical Services Limited and may be obtained during usual business hours up to and including 3rd July, 1980 from the above or from the brokers to the issue:

> Cazenove & Co. 12 Tokenhouse Yard London EC2R 7AN

> > 18th June, 1980

This announcement oppears as a matter of record only.



The International Commercial Bank of China \$20,000,000

Floating Rate Certificates of Deposit Due May 16, 1983

Dillon, Read Overseas Corporation

Bank Brussel Lambert N.V.

First National Boston Limited In wholly owned subsidiary of The First National Bank of Boston)

The National Commercial Bank

The Philadelphia National Bank, Nassau Branch

Indosuez Asia Ltd.

Alahli Bank of Kuwait K.S.C.

Société Générale

NEW YORK

FRANCE

GERMANY 9.676 12,875 12,4375 12,4375 12,0525 MATA

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fund pact threatened

By Brij Khindaria in Geneva

A HANDFUL of oil exporting countries hold the key to agreemeot oo toe creation of a \$750m special fund to stabilise world markets for the main com-modity exports of developing

countries, excluding oil.
Ministers and senior officials from 100 countries will make a foal effort today to reach ac-cord making the fund opera-tional, but a breakdown can still not be ruled out.

Both industrialised and developing countries are keen to reach compromise on continuing disputes, but oil-exporting African countries, including Nigeria, Libya and Algeria are taking a hard line.

As a result the African group of countries within the group of IF-which comprises all developing countries from Asia, Africa and Latin America—have rejected compromise sugges-

It appears that the oil export-ing countries would like to prevent agreement on the fund to make it a topic for consideration at a new series of North-South negotiations expected to begin later this year, following a special session of the United Nations general assembly in New York in August.

The oil exporters fear that many developing countries may side with western industrialised nations in New York in attacking oil price increases if the common fund is created.

Signatures for rubber accord sought

GENEVA-UNCTAD Secretary-General, Mr. Gamani Corea, has cabled 56 rubber producing or consuming countries in a bld to ohtaln enough signatures for the first International Rubber Agreement by June 30,

Under a timetable approved when the pact was agreed last (wrober, it must be signed by countries accounting for 65 per cent of net imports and the same proportion of exports by the end of this month.

The same countries must ratify it by next September 30 for the agreement provisionally review did not necessarily mean other metals, was attributed to be in force by October 1. a change in the U.S. position, mainly to a technical reaction

Commodity | EEC to study NZ | Further fall butter quotas

EEC FARM Ministers have whether the additional 2.5 per decided to set up a special committee of national experts to examine New Zealand's butter import quota from 1981 on Mr. Peter Walker, the UK They also decided that pro-Minister, said.

He said he expected the group to meet next week and for Farm Commissioner Finn Gundelach to be able to discuss the issue with New Zealand when he goes there shortly for talks on the EEC sheepmeat regime.

The Ministers did not discuss figures yesierday although Mr. Walker said the EEC Commission had talked in the post of a quota of 90,000 tonnes at the cod of five years compared with 115,000 Jonnes this year.

set an intervention price for white sugar, of 43.27 European Currency Units (ECUs) as sought by France.

They also decided to examine granting isoglucose production quotas to companies kilos and a target price of 45.5a ECUs per 100 kilos. Joly 1, There bad been doubt about Rauter

U.S. may change

in coffee prices

By John Edwards. Commodities Editor

COFFEE prices fell heavily yesterday for the second day in succession. On the London robusta futures market the September position closed £38 down at £1,603 a tonne and in New York prices were the permissible limit down of 4 cents a pound in early trad-

ing.

Main selling pressure came
who fee from speculators who feel that there is now unlikely to be much frost damage to the Brazilian erop, even though the chief danger period is in July. There was reported to be further selling by the producers' Bogola Fund group, although it was thought this could be a prelude to buying

World sugar prices, after falling in the morning rallied sharply in the afternoon. The Loodon daily price for ray sugar was cut by £15 to £315 a tonne in the morning. But on the futures market the October position closed £6.875 up at £383.25 a tonne after having falleo to £365 earlier in the day. The turnround in the market was attributed to news of new buying by Mexico, and a "buy" recommendation from a leading U.S. commission house. Cocoa moved erratically

following reports of fresh sciling by Brazil and the Camerooos. Carlos Pinto, president of the Cocoa Producers Alliance. announced he was resigning from the presidency following

his appointment as Secretary for Trade, Industry and Tourism for the state of Rio de Janeiro. He is also leaving his post as special adviser to the Brazillan Government planning ministry for cocoa.

Inco plans new cobalt refinery

London, however, the decline | \$25m electro-cobalt plant at its Port Colborne, Ontario, nickel

> coostruction is to start Immediately, is expected to begin operations by the end of 1982 or early 1983, and will have an annual capacity of 2m lb of cobalt metal and will employ

IUK GRAIN MARKET

End-season shortage lifts wheat

BY A CORRESPONDENT

and depressed marketing year, trading in grain grown last summer has suddenly surged back to life.

Prices of old crop wheat have moved sharply up since the end of April as flour millers and animal feed mannfacturers discovered that supplies have run severely short.

Throughout most of the season grain consumers gauged the market shrewdly. They avoided buying large tonnages forward and instead acquired much of their needs on the spot market where prices were invariably cheaper.

But now, with less than eight weeks to wait before the new wheat arrives, millers and compouoders have been canght short. They have found the relatively small tonnages of wheat neded to bridge the gap difficult to buy, and have forced up prices by competing for scarce supplies.

Export success

In the first week of May, feed wheat was tradiog at an average of £93.60 a tonne ex-farm. By June 12 its value had soared to £103.60 a tonne and was still moving ahead

become expensive, yet

easily match demand. It was also been sent direct to North generally forecast that surplus Africa. As in previous years, grain would keep prices weak and that heavy stocks would have to be carried into the 1980-1981 marketing year. 1981 marketing year. There was little evidence to

disprove this argument until last month. Then it became clear that exports had accelerated late in the season, consumers' demand for home-grown wheat had exceeded all expectations and intervention was mopping up the tiny surplus of milling wheat that remained.

Shippers' success in selling British wheat ahroad this season has certainly proved a surprise. Up to May 20, 465,000 tonnes had been exported, compared with only 139,000 tonnes in the whole of last season.
Since exports first became a

significant feature of the British grain trade in 1977-78, barley has taken an overwhelming pro-portion of the business, while wheat has normally been unable to compete with French supplies oo quality or price.
This season, harley sales of \$76,000 (onnes in mid-May were well behind the 928,000 tonnes

exported by the same date last Best quality bread wheat has hroken all records.

At the start of the current season, few in the trade thought that last year's massive 7.1m tonne wheat crop would not the continent for translations. tonne wheat crop would not easily match demand. It was generally forecast that a shipment of English milling

Supply squeeze

With Britain producing perennial surpluses of the crop, the new opening would be more than welcome. Flour millers could use about

2.8m tonnes of domestic wheat this year, against an average of 2.4m tonnes in the preceding five years. Feed companies, meanwhile, are forecast by the Ministry of Agriculture to use 3.45m tonnes, or 17 per cent more than last season. This could be a gross underestimate. Compounders admit that tion.

HARVEST is less than a month away and Britain's farmers are preparing to cut another heavy crop. But at the close of a dull wheat used fresh from the field larly in March and April, and wheat trouble to a fevourable price compared to the few remaining hulders of wheat used fresh from the field larly in March and April, and milling wheat from the market.

and at a critical time. Two-thirds of the grain may never go into store, but there seems little likelihood of spot wheat values easing markedly

until the new crop arrives.

However, traders feel that prices cannot go much higher either. Local supply squeezes are certainly in evidence, but little interest has been shown in expensive French milling wheat indicating that con-sumers hope they can scratch together the few tonnes they

need from UK sources. Their stolid lack of activity on forward markets also reveals a belief that prices will tumble

at harvest time.
Forward prices seem to reflect hopes of a heavy crop—possibly more than last year's 17.3m tonnes. Ex-farm feed wheat for September delivery now fetches less than the intervention level and barley at £5.50 discount to the support price This takes into account the

their demand for wheat has been about 25 per cent higher than in 1978-79, in spite of lower sales of their products.

Adding the final inflationary impetus to the market was last month's special intervention programme for hread wheat to period throughout the EEC. Ignore there programs accept year, yet wheat exports had opened throughout the EEC. Ignore their prejudices, accept troken all records.

In Britain, only e small quanthe bureaucracy and sell into The buoyancy of Britain's tity was offered, around 10,500 intervention.

tin pact policy BY OUR COMMODITIES STAFF

national Tin Agreement, in later this year.
view of the breakdown in talks Meanwhile, th on a new pact in Geneva last U.S. tin stockplling sales pro-The Geneva negotiations on a

the existing pact that expires in June next year broke down mainly because of the U.S. insistence that export quotas should be scrapped and a bigger buffer stock created.

Tin Council, who has been boldlog talks with the U.S. State department on the negotiations, was told about the planned review by the U.S. which could take at least a month or possibly much longer.
It was stressed that the

THE U.S. is williog to review its negotiating session oo the Tin attitude towards the Inter- Agreement will be convened Meanwhile, the start of the

duction quotas exceeded last year can be carried over into

A firm commitment, sought

hy France, for any excess income from export levies over

export rehates to be returned to producers was not accepted.

and instead a looser commit-

The Ministers decided aid to

ment to reconsider the question

sugar producers in French over-

seas territories should be 3.69 ECUs per 100 kilos and not 5.08 ECUs as sought by France.

able to start production between

Joly 1, 1980 and June 30, 1981.

the 1980/81 year.

was given.

month, according to officials gramme is to go ahead, as from the U.S. Trade Represent- scheduled, on July 1, when the atives Office in Washington, first offering of 500 tonnes will reports Reuter.

Similar amounts will then be offered for sale each new Tin Agreement to replace fortnight with a target of sell-the existing pact that expires in 10,000 tonnes a year over the next three years. The Straits tin price fell to

\$M2,135 a picul on the Penang market overnight, \$M10 below Mr. Peter Lai, executive chairman of the International was limited by the general upwas finited by the sense and refinery.
ward trend in other metals and refinery.
The plant, where design and at £7,245 a tonne. Trading interest on the London Metal Exchange was generally at a low ebb, and the

the "ceiling" set by the inter- TORONTO-Iaco said its Inco national Tin Agreement. In Metals Company will build a

rise in the price of copper, and a change in the U.S. position, mainly to a technical reaction 30 to 40 people. Inco. said. but it is hoped that a new after the recent decline.

Canada, Australia boosts Soviet grain sales

IN SPITE of undertakings to in March this year, compared culture Secretary Bob Bergland depend on the U.S. as a reliable observe U.S. limits on wheat with 157,000 tonnes in the same sald shipments of grain and pre-supplier of grain. sales, Canada's exports of grain nine-month period a year ago, to to Russia in the crop year ending July 31 will be 3.8m tonnes—up 150 per cent from year earlier, the Federal Government said. This is the highest level large 1975 78

Government said. This is the tion in Afghanistan, pledged highest level since 1975-76. Iast January not to make up the At the same time Australia, shortfall in Soviet orders which pledged not to take up caused by Washington's can-

violation of the embargo had. been reletively small. He esti-mated them at about 500,000 tonnes: Mr. Bergland said he doubted

reports from Europe that soya-bean crushers were buying U.S. soyabeans and sending the meal Soviet grain shortfalls, has vastly increased the volume of wheat exports to Moscow in recent months, according to Australian Bureau of Statistics figures.

The Deputy Prime Minister's office said most of the contracts fall that the USSR would not be agriculture officials is scheduled able to ship the normal amounts to arrive in the U.S. in July for a two-week visit. Mr. Bergland that Australia's level of trade to ship the normal amounts of grain hecause of the poor a two-week visit. Mr. Bergland crop," Mr. Bergland said.

The Deputy Prime Minister's the U.S.—they told no last the U.S.—they told not be agriculture officials is scheduled able to ship the normal amounts to arrive in the U.S. in July for a two-week visit. Mr. Bergland crop," Mr. Bergland said.

The Deputy Prime Minister's the U.S.—they told no last the U.S.—they told not be agriculture officials is scheduled able to ship the normal amounts to arrive in the U.S. in July for a two-week visit. Mr. Bergland crop," Mr. Bergland said. But there were no pean countries was expected by active negotiations, he said.

A delegation of Chinese of grain hecause of the U.S.—they told not be agriculture officials is scheduled able to ship the normal amounts to arrive in the U.S. in July for a two-week visit. Mr. Bergland crop," Mr. Bergland said.

The Deputy Prime Minister's the U.S.—they told not be agriculture officials is scheduled able to ship the normal amounts to arrive in the U.S. in July for a two-week visit. Mr. Bergland crop," Mr. Bergland crop," Mr. Bergland crop, "Mr. Bergland crop," Mr. Bergland said.

The USA delegation of Chinese of grain hecause of the poor a two-week visit. Mr. Bergland crop," Mr. Bergland crop, "Mr. Bergland crop," to the USSR. He said the in-

sald shipments of grain and pra-tein products to the USSR in Mr. Bergland said he could not imagine President Carter lifting the embargo as long as the Russlans remained in Afghanistan.

The USDA was looking at the possibility of bilateral grain agreements with several countries including China, Mr. Berg-

BRITISH COMMODITY MARKETS

opened cround the 1899.5 level but drifted to pround 1897.5 during the morning rings relocting the norvousness in the bullion market. In the elternoon talk of Irouble on the Egypties-Libyan border encouraged that covering in New York and lifted three months motal in London to the 1897.5 level at the closs. Turnover. £257.5 level at the close. Turnovor:

COPPER Official - Unofficial -£ £ £ £ Wirobore Cach. 856-5 +1.25 842-4 -8 6 months 857-5-8 +2.23 864.5-5.0 +8.5 Settlom't 836.5 -1

BASE METALS

COPPER—Geined ground on the cardon Metal Exchange. Forward metal penned stround the E859.5 level but the cardon Metal Exchange. Forward metal penned stround the E859.5 level but the cardon Metal Exchange. Forward metal penned stround the E859.5 level but the cardon Metal Exchange. Forward metal penned stround the E859.5 level but the cardon Metal Exchange. Forward metal penned stround the E859.5 level but the cardon Metal Exchange. Forward metal penned stround the E859.5 level but the cardon Metal Exchange. Forward metal penned stround the cardon Metal Exchange. Forward metal penned stround the E859.5 level but the cardon Metal Exchange. Forward metal penned stround the E859.5 level but the cardon Metal Exchange. Forward metal penned stround the E859.5 level but the cardon Metal Exchange. Forward metal penned stround the E859.5 level but the cardon Metal Exchange. Forward metal penned stround the E859.5 level but the cardon Metal Exchange. Forward metal penned stround the E859.5 level but the cardon Metal Exchange. Forward metal penned stround the E859.5 level but the cardon Metal Exchange. Forward metal penned stround the E859.5 level but the cardon Metal Exchange.

TIN-Margmally estate following the decline at Penang and Américan prahi-laking. Forward matel opened ground the £7,280 level and moved up to £7,300 on the morning kerb before weakening to end the alternoon at £7,260. Turnover: 1,485 tonnes.

High Grade £ £ £ £ £ £ £ £ £ £ £ £ £ £ £ 5 7240-60 -15 8 mcnths 7330-40 -12.5 7310-30 -27.5 8 ottlem't 7245 -48 Sottlem't description of the standard description of the s

Morning: Standard, cash £7,230, 25, 30, 35, thise months £7,280, 75, 80, 70, 75, 83, 30, 7,300, Kerb. Standard, three months £7,285. Altermoon Standard, thise months £7,300, 7,230, 85, 87. Karb: Standard, three months £7,280, 70, 65, 60, LEAD—Moved shead in the wake of tresh buwing of both cash and forward matel worch filted whree months material to the day's high of £325

TIN Official - Unofficial -

September Coffee 1595-1611 Our clients speculate, free of tax, in very small to very large

amounts, on: 1. London Traded commodities, Including GOLD. 2. The STERLING/DOLLAR exchange rate. I.G. Index Limited, 73, The Chase, SW4 0NP. Tel.: 01-622 9192

CORAL INDEX: Close 465-470 (uochanged)

Conti Commodity

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prior to a cluse on the late kerb of £325.5. Tumover: 2,300 toanes.

Cash...... 313-4 +5.5 213-5 5 months 221-2 +5.25 324-5 5 ment ... 514 -5 36-40

ZINC-Moved narrowly, with three morths matel moving shead from £295 to £301 before ending the late kerb at £300.5. Turnover: 4,375 rannes. ZINC | Official - Unoffici't -

2298, 99, 300, 300.5, 200.

AUIMINIUM—Gamed ground after an uncertain opening. Three months metalopened in the region of 1796 and other to 1793 during the morning 13. And renewed general selling. The market picked up abrongly in the afternoon, however, with forward metal closing the day at 1744.5, following persistent and aggressive short coopring. Turnover: 6,150 tonnes.

Morning: Cash 6682, 83, 82, three months £694, 83, 92, 91, 92, 93, 94, 96, Kerb: Three months £694, 95, Alternoon: Three months £702, 2, 2, 4, 5, 8, 2, Korb: Three months £702, 3, 4.

NICKEL—Edged higher in quart and thin trading walk forward metal finally quoted \$2,760 on the late kerb. Turnover: 192 tonnoe. NICKEL e.m. + or p.m. + or Official - Unoffice I -

Spet _____ 2650.700 + 25 2700.10 -85 5 months 2768.90 - 13 2770.80 -23 Morning: Three months £2,760.

COCOA Futures were unchanged at the opening and meda a £10 gain during los morning but light profit-taking arcded to the and closing levels were little altered to Monday evening, ordered G.I.

Yesterd'ya + or Businsse Close - Dоло July 1107.00 +5.5 1112.1099
Be0 1121.32 -2.0 1330.19
Oec 1155-66 -5.5 1173.85
March 1201.05 -9.0 1211.01
May 1231.25 -10.5 1235.33
July 1240.50 -0.0 1258
Sept 1265-70 -7.5 1270

Sales: 1,572 (806) lots of 10 connes.

COFFEE Robustas collapsed in the moming dission on heavy tride and comtrading was extremely arreful voltage at one point were over ESS down, before rallying back to the day's highe where again heavy commission house dealing on both sides of the market saw values tell egain to finery crase in the mid-ranges, reports Onesol Burnham Lembert

rnnam Lembert

yesterday's

COFFEE Close + or Susiness

Done July 1557-98-28.5 1365-20

Sept 1601-G5-58.0 1623-82

Nov 1634-35-25.0 1655-15

January 1655-60-24.5 1274-34

March 1625-30-15.0 1930-00

May 1528-38-14.5 1580-60

July 1510-35-12.5

Siles: 8.000 [7,124] lots of 5 tonnes.

CEAD Official Unofficial CA 1976 175.00 [7,125] lots of 5 tonnes.

CEAD Official Unofficial CA 1976 175.00 [7,124] lots of 5 tonnes.

CEAD Official CA 1976 175.00 [7,124] lots of 5 tonnes.

COMMISSION Rouse buying, reports of June 16

CEAD Official CA 1976 175.00 [7,124] lots of 5 tonnes.

COMMISSION Rouse buying and short covoring pushing values up to ehow gains of 1276.00 [7,124] lots of 5 tonnes. 209.00 (same). Comp. daily ICA 1968 190.72 (192.03).

GRAINS

The market opened unchanged end in very quiet itaking values increased and with the main buying interest being in wheat. Barley remained about steady but selling pressure cased values slightly in the alternoon sassator Fairly good commercial buying was seen on the diseased waters. ing was seen on the dip and values closed about steady, unchanged to Cp cows, report Ach.

ZING Official — Unoffice:

Cash 284.5 + 25 288.9 + 4.5 Smonths 295.5-5 - 25 500.2 - 5 Sment ... 284.5 - 3.5 Smonths 295.5-5 - 25 500.2 - 5 Sment ... 284.5 - 3.5 Smonths 284.5 Smonths 284.5 - 3.5 Smonths 284.5 Smont May... 109.75 -0.25 106.00 +0.18

Bus.ress Gone—Wheat: Sect. 95.3535.15. Nov. 92.16-38.35. Jan 103.30102.00. Maith 106.50-106.30. May
105.90-109.70 Soles 108 lots of 100
tonnes. Berley: May 91.30-31.60, Nov.
35.72-35.33. Jan 39.50-39.50. March
102.65-102.75. May 108.10-106.00.
Seles 107. cts of 100 tonnes.
IMPORTED — Wheat: U.S. Oark
fortrett Spring No. 2, 14 per cent.
July 84.75. Aug. 96.00. Sept. 95.75
transforment East Coast. English Feed
tob Sact. 39.57. Oct. 101.00. Oct.-Dec.
103.00 Sact Coast. Masser: French June
119.30. July 119.75 East Coast. S.
Africat Yellow July-Aug. 50.00. Berley:
English Feed 105 Sact 94.25, Oct.
37.50. Cot.-Dec. 52.25. Jan.-March
105.00 East Coast. Sallers. Resr
unguated.

registed. HGCA — locational da-larm spot prices. Feed barley: S. East 90.00. S. West 30.00. W Mithlands 90.00. N. West 50.00.

RUBBER The Longian physical market Goomed easier, with fair interest of lower levels, closing only given note Lewie and Plast reported a Mabyaian godown pinco of 225 (208) cents by [buyer], July].

Nc. 1 Yest reeys Providue Cusinoss R.S.S. Close Close Dono

-Dec 75.53-76,10 75.90-77,00 75,79 May 76,50-78,50 72,50-79,50 73,50-78,20 \$1 64, 125 (192) at 15 tonnes, 8 (8) at 5 Poses Pur ball stone of the college were: \$25 7501 August 63 500 (64 50p).

LARS—Turnover 255 (101) lots of 10,000 outcost. Morning Three months 592, 58-57, 57-58, 50, 52, Kerbs: Torse months 600 Alternoon: Three months 600, 57, 58-59, 57, 57-50, Kerbs: Torse months 601, 50, 52, 54, 55, 57, 57, 58

SILVER

Silver was fixed 18.3p on punce lower for sort osinery in the Landon bullion meriet yesterday et 85 625. U.S. cau walents of the fulling levels worst sort \$15.50 down 57e. Sheed-month \$15.64 down 45.50 sis-month \$16.22. 48.21 The mast opened at £6.65.70 (515.615.3), and classed at £8.55.66.70 (515.615.3), and classed at £8.55.66.70 (515.615.3).

SILVER BUSINGS + GT L M.E. per faing p.m.
trop or pro Unofficit epot 665.75p -16.3 661.75p - 18.2 8 months 692.25p -16.5 690.5p -16.8 8 months 715.10p -21.2 12months 760.10p -21.2 SOYABEAN MEAL

Sales: 73 (11) lots of 100 tonnes.

SUGAR LONDON ITALLY PRICE (raw euger): E315.00 (£330.60) a tonne cit for June-July-Aug. shipmant. White sugar delty price was £335.00 (£348.00). Opening prices were some £3-£4 below kerb levela and during the morning pricea continued to drift in dull conditions. Later, however, following reports that Mexico had made further eubstantial purchages. Orices rallied eubstantial purchases, prices rallied eubstantial purchases, prices rallied to purchase of up to 520.00 deng records in bootic trading.

Bugar Pret. Yest'rdaye Previous Ausiness Comm. Close Close Done

Aug. ... 565.50-67.60 S56.56-69.00 A78.00-48.00 Oct ... 565.68-65.50 576.25-76.58-697.68-65.89 5s:es: 5,677 (6,618) tots of 50 rennes.

NUMBER 4 CONTRACT—Close (in order: buyer, selier celly). Aug. 359,0056: 00. Oct. 376 75. 377.00; Jan. 388.00, 389.00; March 392.50, 393.75; May 387.50, 388.00; Aug. 378.00, 379.50; Oct. 374.00, 374.90, Sales; 6,179

Oct 374.00, 374.90. Sales: 0,179
(4.157). Tate ond Lyle exteriment price for granulated basis white sugar was £324.7 (sales) a tonne for home trade and £436.50 (for export, informational Sugar Agreement (U.S. cants per pound fob and atowed Caribbean opt). Price for June 18: Only price 31.19 (32.34); 15-day, average 31.05 (31.30).

WOOL FUTURES

LONDON NEW ZEALAND CROSS-BREDS—Close (in order buyer, seller, business, sales). New Zealand cents per kg. Aug. 320, 322, 323-361, 4; Oct. 352, 354, 254, 3, Dec. 363, 367, 367, 7; Jan. 365, 368, 368-366, 3; March 370, 372, 370, 1; May 572, 373, nil, nil; Aug. 372, 375, 374, 3; Oct. 373, 375, nil, nil; Dac. 375, 380, nil, nil. Sales 15, 372, 375, 374, 3; Oct. 373, 375, ni, nii; Deg. 35, 380, ni, ni; Subar 15, ayDNEY GREASY WOOL—Closo (in order: buyer selfer, business, salaa). Australian cants per poand, July 458, 0, 459, 0, 463, 5, 458, 0, 659, 0, 463, 5, 458, 0, 454, 0, 107; Oec. 453, 0, 454, 0, 456, 0, 452, 0, 453, 0, 456, 0, 452, 0, 454, 0, 455, 0, 24; July 460, 0, 452, 0, 458, 0, 23; Coc. 459, 0, 460, 0, 462, 0, 458, 0, 26, 458, 0, 460, 0, 462, 0, 458, 0, 36, 458, 0, 460, 0, 462, 0, 458, 0, 364, 458, 0, 460, 0, 462, 0, 452, 0, 458, 0, 460, 0, 462, 0, 452, 0, 458, 0, 344, 458, 0, 460, 0, 462, 0, 452, 0, 458, 0, 364, 458, 0, 460, 0, 462, 0, 452, 0, 458, 0, 364, 460, 0, 462, 0, 452, 0, 458, 0, 364, 460, 0, 462, 0, 452, 0, 458, 0, 364, 460, 0, 462, 0, 452, 0, 458, 0, 364, 460, 0, 462, 0, 452, 0, 458, 0, 364, 460, 0, 462, 0, 452, 0, 458, 0, 364, 460, 0, 462, 0, 452, 0, 458, 0, 364, 460, 0, 462, 0, 4

PRICE CHANGES

In tonnes unless otherwise stated. June 17 + or Month Motals Free Mkt

+2.5 \$585 Grains Barley Futures 295,65 Maize French NoJAM

out (PhID. \$650a

B525

25.00-25.50, medium £4.40, best small 23.50-24.00; medium skinned dogish 25.00; large lemon soits £7.00, medium £6.00; rade £2.60-23.00; saitho £2.00-22.40. HIDES—Birmingham: merket firmer. Second clears. Oa 31-35.5 krios. 30.7p s krio. (28p s krio); 26.30.5 kilba. 36p (30.8p). 22-25.5 krios. 39.2p (35.9p).

MEAT/VEGETABLES

AMERICAN MARKETS NEW YORK, June 17. 41.20, Feb; 43.75, April 42.80, June GOLD AND silver advanced moderately 44.30, July 46.40. - an. short-covering by commission fibralize—July 2791, 2791, (2801), houses. Chert buying was the main Sept. 2871, 2871, (288), Dec. 2941, 2943.

GOLD AND silver advanced moderately on, abort-covering by, commission houses. Chert buying was the main reason behind higher copper prices. Higher froe prices in the country were responsible to charp price intreases in the flowested to country were responsible to charp price intreases in the flowested to country were responsible to charp price intreases in the flowested to country were responsible to charp price intreases to the livestact complex. Heavy selling in sugar on improved best crop conditions resulted in substantiel locases. Coffee was limit down on leck of buying interest. Codes settled egain into its drawnward drift. Trade buying interest. Codes settled egain modestly on reports of good glowing my led to minor goins in conton. Grains and soyabsens retreated modestly on reports of good glowing conditions, reported Hainold.

— Potatoes fround whites)—New 74.5.

April 103.4-103.7: 5eles: 460.

Sugar—No. 11: July 22.60-32.30

Sugar—No.

EUROPEAN MARKETS

INDICES FINANCIAL TIMES Jun 16 Jun 18 Moth ago Year ago 264,99 264,02 271,29 301,77 (Base: July 1, 1952~100)

MOODY'S

iune 18, Jun 15 M'nth ago Year ago

DOW JONES Dow June June Month Year Jones 15 13 age age Spot ... 428.07.431.79 436.84425.31 F tur's 448.98.446.79 448.86429.31 (Ayerage 1824-25-26-100) REUTERS

June 17 June 18 Minth ago Year ago

1665.2 :1672.0 1720.8 :631.7

A COLOR | 15 | Airch | 15 |

مكنامن للثحل

FINANCIAL TIMES STOCK INDICES

ull in demand for equities but undertone remains firm dex up 1.4 at 469.0—Long-dated Gilts below best

Declara- Last Account tions Dealings Day 2 June 12 June 13 June 23 :: 16 June 26 June 27 July 7 June 30 July 10 July 11 July 21

Demand for equities showed signs of flagging yesterday, a charp upward movement. The inderlying tone remained extremely firm though as illustrated by the ease with which 11m shares in Pilkington Bros. placed at about £25 im institutions through the

Medium and long-dated Giltedged continued to draw strength from the better-thanlast Monder's exhaustion of the

gains ranging to and some-times more, about to below the day's best. In contrast, talk of o new 2hort-tap being announced on Thursday coupled with extremely tight conditions in money markets caused pressure on short-dated issues. Prices at this end of the market closed with losses extending to 3 late dealings. The credit shortage was caused by the resale to the banks of £500m of gilts bought by the authorities earlier in the year and settle-ment for besvy purchases of the medium tap on Monday.

Leading industrials started on a subdued note, but early selling was small and soon dried up. Bnyers were still showing occasional interest and final quota-

Vol.

10

262p

137

145 p

4.76p

LONDON TRADED OPTIONS

harder on the day. Down 16 at the 11:00 am calculation, the FT 30-share index closed 14 higher on balance to take its rise over the past 11 trading days to 56.3 st 469.0.

Overall trading conditions in equities were quieter, but many secondary issues caught up with the previous day's sharp improvement in the leaders and total bargains over the last two days overaged 26,589 compared with 20,143 s week ago.

Traded options remained active with a total of 1,693 deals done. Grand Metropolitan continued to attract otrong interest with 394 contracts completed, while others in demand included Sbell, 137 trades, and Lourko,

Discounts better

Buoyed by the impressive performance of gilts, Discount Houses mode useful progress. Alexanders led the advance with a rise of 15 to 248p, while improvements of 10 were seen in Allen Harvey and Ross. 340p. Gerrard and National, 258p, and Seccombe Marshall and Campion, 240p. Among smaller-priced issues, Clive added 4 to 49p as did Jessel Toynbee, to 78p and King and Shaxson, to 80p. Another good business was transacted in the major clearing banks but the closing trend was mixed. After initially easing to 392p, Barclays rallied to close higher on balance at 407p but Lloyds finished only a penny harder at 332p, after 328p. Bank of Scotland were notable for a rise of 10 st 273p. In thin markets, Brown Shipley added 12 to 348p and Schroders gained

Composite Insuronces scored fresh improvements ranging to ond General softened 2 to 187p with sentiment undermined by news of the company's labour

hopes encouraged Hire Pur-

chases with Sterling Credit a couple of pence better at 14p and Cattles Holdings 1; dearer at

The emphasis in Buildings switched to selected secondary issues where P. C. Henderson 32 to 175p as speculative interest increased. Among House-builders, Federated Land stood out with a galn of 6 at 76p, while Gongh Cooper added 2 more to 72p. Renewed support lifted John Mowlem 6 to 98p. while Westbrick Products firmed 5 to increased annual profits and the chairman's confident remarks.

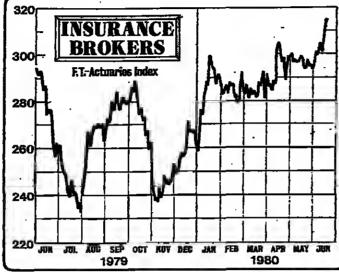
14 to 334p in belated response to the chairman's confident statement. Brown and Jackson beld at 136p ex rights; the price in Monday's issue was incorrect. Among the leaders, Costain were among the leaders, Coggan were notable for a gain of 6 at 164p. Subjected to profit-taking at the outset when a couple of pence was chipped from the price, ICI subsequently regained the overnight level of 386p as the other prices.

steody buying ensued.

closed narrowly

per cent holding may be offered for general sale rather than Still reflecting nationalisation

compensation bopes, Vosper jumped 20 more to 180p in Engineerings, while Yarrow gained 18 to 263p in sympathy.



mixed. James Halstead, ot 29p. relinquished 11 of the previous day's gain of 31, but William Ransom improved 5 to 245p. Arrow, a dull market of late on the company'o failure to meet its profit forecast shed 3 more to

Mail-orders firm

Secondary Stores again made firm ohowing although trade Ratners odded 4 more to 62p on speculotive support while dealspecific to support while dearings in Polly Peck were
suspended of 85p pending o
statement. Increased support
was noted for House of Lerose,
4 up at 62p, and for Grant Bros.
10 horder at 100p, while Open 10 horder at 100p, while Owen Owen rallied 6 to 118p. Mailorder issues attracted useful late support with Grattan, 62p, and Empire, 148p, both closing 6 to the good. House of Fraser, dull recently, recovered 3 to 132p

Electricals again trended to higher levels although the pre-vious day's activity was not Construction maintaioed. GEC added 4 more industrials .centred on Pilking-

meeting.

Despite the sharp cut in the dividend and the annual deficit, Peter Brotherhood rose 5 to 71p following the Board'o optimism about current trading. International added 4 to 79p in response to the favourable results, while demand was forthcoming for McKechnie, 93p, and Haden Carrier, 135p, which prompted closing gains of 6 and 7 respectively. Wodkin picked up 7 to 105p and Prestwich Parker rose 5 to 29p, while Davies and Metcalfs "A." added

Leading Foods usually reained the previous day's smart gains, but Tesco met nervous selling ahead of today's preliminary results and shed 3 to 59p, after annual results left Robertson penny firmer at 117p, while the higher preliminary profits and film rights issue proposal helped Hazelwood's to a gain of 7 to 86p. Nichols (Vimto) added 10 to 320p in response to the proposed acquisition of Solent Can-

ners. Early interest in miscellaneous

demand took prices higher tions were generally o shade hardened a fraction to 21p to 389p, while Plessey firmed a ton when 11.8m shares in the before a good two-way trade harder on the day. Down 16 at despite the lower preliminary couple of pence to 158p, group which were previously developed which left closing the 11.00 am calculation, the profits, and Allied Plant added Ferranti, annual results Thesowned by ESN-Gervais Danone gains ranging to 1 and some FT 30-share index closed 14 11 to 331p in belsted response day, eased 8 to 550p following S.A., a French public company. day, eased 8 to 550p following suggestions that the NEB's 50 various institutions at 215p a for general sale rather than share; Pilkington initially eased going to a single bidder. Second to 223p on the news before rallythoughts over the Boardroom ing strongly to 236p and closing changes and reduced annual o net 9 up on balance at 232p, earnings clipped 5 from M.K. Other leaders took a breather after the recent europoria and the closing tone was mixed. Else-where, bopes that the approaching two-for-one scrip-issue will enhance the shares' marketability lifted Holt Lloyd International 9 to 222p, while Applied Com-puters jumped 15 more to 385p rith sentiment stril buoyed by the recent good results. Awaiting further news of the bid approach, Unicorn Industries firmed 6 afresh to 122p, while buying on recovery hopes lifted Lesuey 2 to 17p. Alpine, 67p, BTR, 322p, London and Midland, 116p, and Office and Electronic, 270p, all closed around 6 better, while Portals continued to reflect favourable comment further rise of 4 to 345p. Sut-cliffe Speakman put on alike

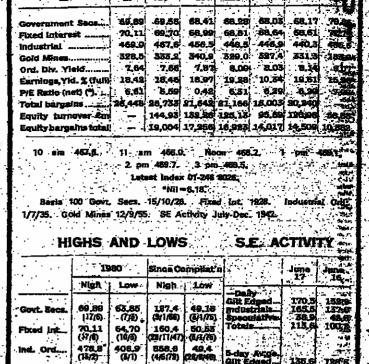
amount to 36p and Scapa added 5 to 72p. By way of contrast, profit-taking in the wake of the good results left National Car-bonising 12 off at 132p. Among Leisure issues, Horizon Travel put on 12 for a two-day gain of 22 to 280p on speculative buying. Boosey and Hawkes con-tinued the recent revival with

Motor Distributors, the sub-ject of bearish comment recently, covered to close with moderate gains. Callyns, depressed since last week's disappointing annual results, railied 6 to 118p, while T. Cowie, currently bidding for George Ewer, improved 3 to 38p. Properties became subdued after recent gains on optimism about interest rates. Movements in the leaders rarely exceeded a permy or so in either direction, but selected secondary issues continned to attract support. Among the best were Warner Estates, np 13 to 278p in a limited market, and Evans of Leeds 8 better at 130p, also in a thin market. Property and Reversionary firmed 3 to 153p, after 155p, in response the increased preliminary

Leading Oils met profit-taking after the recent good run but the oppearance of buyers at the lower levels left final quotations well above the worst. British Petroleum finished only 2 cheoper on belonce at 378p, after 372p. Shell lost 4 to 406p. Ultramar touched 374p before settling at 378p for a net fall of 2, while Tricentrol eased 4 to 376p. Up 16 on Monday following the £5.78m rights issue proposal, Candecca Resources relinquished 4 to 176p, while Berkeley Exploration, a strong market of late on speculative buying, lost 14 to 220p, after 210p. Silkolene, on the other hand, still huoyed by a recent investment recom-

profits

from the recent relatively high level of Stock Exchange turnover



48.5 (26/10/Z1)

442.5

and firmed 9 more to 281p, while dipped 4 to 366p, North Kalgori Smith Bros. added. a penny at 38p. Doubts over the group's pro-posed acquisition of Fairey left S. Pearson 4 harder at 228p, while Robert Kitchen Taylor attracted interest in front of today's halfat :195p. timer and ended 5 firmer at 140p.

406.9

Textiles were again featured by Dawson International, 6 better at 113p on further consideration of the pleasing preliminary results. Nottingham Manufacturing, interim statement due next month, added 4 to 100p, while similar gains were seen in Sirdar, 87p, and British Mobair Spinners, 22p. Support in a narrow mart lifted David Dixon 15 to 100p. Sidlaw, dull of late following the interim deficit, railled 2 to 98p. Trading in mining theres remained quiet yesterday, with most prices a little easier where changed. There were signs of small-scale selling in South African Golds sa the bution price eased further to \$591.5, and this took the Gold Mine sinder down

478.8

077.9

Among the heavier priced ssues, West Driefontein ended

Falls to 8 were recorded in the ower-priced issues.
South African drifted lower in sympathy, with De Beers 2 essier at 408p, Johnnies down 1 at £264, and Anglo American losing 12 to London Financials were also

mostly easier where changed with both Rio Tinto-Zine and Selection Trust encountering profit-taking: RTZ closed 4 lower at 398p, and Selection Trust 2 lower at 682p.

Australians also ran into profit-

taking, and this, along with the decline in the gold price, left most of the leaders a few pence mendation, added 10 for a five-Pacific Copper lost 14 to 216p, Peko Walisend 10 to 365p and

Gold Mines of

were down by a similar amount at 800, Percition lost 5 to 1750; This were largely untested. Profit-taking struck Gogens, down 5 at 4150, and Berjundal, 5 fewer

NEW HIGHS AND

LOWS FOR 1980 tolowing shares quoted intornaction Survice variety of new Highs and Lows for NEW HIGHS (204)

NEW HIGHS (204)
BRITISH FUNDS (24)
CORPORATION CHANG (71)
COMMONIVES (14)
AFRICAN LOANS (2)
BANKS (13)
BANKS (13)
BANKS (13)
BUILDINGS (12)
CHEMICALS (13)
DRAPERY AND STORES (8)
BRITISH (13)

Maintene Baez: 2 2007 (30-47).
Whitevoriti, Estot.
Bridging Fred R.) Gobert da. 1
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RISES AND FALLS YESTERDAY



FT-ACTUARIES SHARE INDICES

These Indices are the joint compilation of the Financial Times, the Institute of Actuaries and the Faculty of Actuaries

	ITY GROUPS	T	ies., J	une 1	7, 19	80	Mon., June 16	Fri., June 13		Wed., June 11	Spiror J
Figures in pa	UB-SECTIONS arentheses show number of ocks per section	Index No.	Day's Change %	Est. Earnings Yield % (Max.)	Gruss Div. Yield % (ACT at 30%)	Est. P/E Ratio (Net)	Index No.	Index Na.	Index No.	Index No.	Index No.
	L 6000\$(172)	249.80	+0.9	17.65	6.40	6.96	247.52	240.00			
	Materials (28)	247.10	+0.9	18.16	6.65	6.54	244.90	237.02			23L50
	ting, Construction(27)	369.41	+0.7	25.32	6.55	4.74	366.82	351.65			366.34
	als (1.6)	661.84	+1.0	12.50	3.69	10.38	655.14	636.07			595.95
5 Enginee	ring Contractors (11)	303.22	+1.2	22.39	8.55	5.60	299.54	289.94			365.65
	ical Engineering (74)	167.56	+0.8	19.20	7.89	6.38	166.23	161.61			189.73
	ind Metal Forming(1,6) MER GOODS	163.40	+1.0	21.26	10.01	5.64	161.79	157.36	155.7	153.26	169.26
11 (OURAB	BLE) (49)	221.07	+0.5	14.86	5.77	8.25	219.90	213.67	210.29	207.99	233.48
	tronics, Radio, TV(14)	324.54	+0.4	11.26	4.12	11.37	323.20	314.00			334.45
	kd Goods (14)	99.06	+0.5	29.85	10.67	3.99	96.53	96.40			162.59
	and Distributors (21) MER GOODS	102.18	+0.9	22.61	9.72	5.13	101.27	98.30	97.9	97.62	121.23
	URABLES) (172)	230.11	+0.1	18.02	6.94	6.69	229.87	224.33	222.03	220.23	238.34
		288.58	-0.7	15.26	6.30	7.73	290.58	284.29			276.07
3 Wines ar	es (14) nd Spirits (5)	310.28	+0.4	17.56	6.02	7.02	309.10	302.27			304.91
4 Entertain	nment, Catering (17)	333.00	-0.2	17.34	6.70	7.15	333.53	320.43			308.21
5 Food Ma	mufacturers(21)	202.18	-0.2	19.86	7.39	5.93	202.67	197.07			212.04
6 Food Re	tailing(13)	327.24	-1.2	13.01	4.74	9.11	331.18	323.96			297.52
	pers, Publishing (13)	437.71	+0.1	21.82	6.68	6.19	437.29	437.40			427.27
3 Packagin	ng and Paper (15)	134.81	+0.2	26.59	9.25	4.35	134.51	132.84			133.64
Stores (4	42)	224,70	+0.6	13.73	5.48	9.37	223.43	217.53	214.82	212.90	242.19
	(24)	132.27	+2.5	24.95	11.74	4.87	129.00	123.57	125.04	120.49	168.40
6 Tobacco	s (3)	219.14	+0.2	27.83	10.57	4.07	218.64	217.57			241.75
7 Toys and	Games(5)	26.03	+3.8	46.71	14.65	2.46	25.08	26,23			76.22
	GROUPS (99)	217.54	+0.4	17.13	7.06	6.93	216.65	211.08			296.22
2 Chemica		317.65	+0.2	19.73	7.58	5.81	316.92	308.58			292.19
	ceutical Products (7)	217.62	-0.3	11.78	6.34	10.46	238.24	213.50			220.64
	quipment (6)	110.64		19.69	7.50	5.81	110.63	109.69			124.89
5 Shipping		539.84	+0.7	13.59 17.36	6.54	8.91	536.33	523.39			467,47
	neous (60)	261.79	+0.9		6.92	7.97	259.37	251.5%			243.78
	RIAL GROUP (492)	238.83	+0.4	17.49	6.75	6.91	237.83	231.56			240.19
		827.08	-6.7	27.89	6.23	3.96	832.94	815.74			642.72
	RE INDEX	285.20	+0.2	19.76	6.63	5.94	284.71	277.56			272.86
	IAL GROUP (118)	218.30	+0.9		5.75		216.28	210.06			193.23
Banks(6)		242.44	+0.9	40.59	6.70	3.03	240.31	230.66			237.11.
	Houses (10)	263.88	+3.7	74.00	6.69		254.45	254.45			248.53
Nire Puri Insurance	chase (5)e (Lifs) (10)	217.74 203.27	+1.0	14.35	6.26	9.05	203.58	289.91			166.14
Insurance	e (Composite) (9)	141.98	+1.9		7.58	_	139.32	198.65 133.92			128.53
Insurance	e Brokers (9)	315.47	+0.3	14.72	7.25	9.33	314.40	306.01		301.48	276.78
	t Banks (13)	118.02	+16	14.72	5.64	7.30	116.13	110.62	109.65		98.24
9 Property		408.14	+0.3	3.34	2.84	42.53	406.81	401.14	394.06	385.30	336.6
1. Miscellau	peous (11)	134.39	+21	16.35	6.49	7.77	131.68	129.57	129.81		121.97
Investme	ent Trusts (109)	236,00	+0.3		5.84		235.25	229.56	228.70		213.38
	inance (4)	196.08	-0.5	13.56	5.03	8.94	197.67	197.35	195.21	193.56	129.18
L Mining F											
		392.28	+0.2	13.26	6.91	9.30	71 TO 1	385.24	383.19	379.00	333.17
1 Overseas	Traders (19)		+0.2	13.26	6.91 6.39		391.40 %8.14			379.04 257.23	358.17

	FIXED INTEREST PRICE INDICES							ED INTI YIELD Govl Av.	5	- 1	Tues., June 17	Mon., June 16	Year ago (approx.)
. 1	Brītish Government	Tues., June 17	Day's change %	ad adj.	xd adj. 1980 to date	1 2 3	Coupons	15	years years		11.81 11.81 11.81	11.84 11.84 11.84	10.60 11.10 11.60
 1 2	Under 5 years	105.42 · 111.53	0.16 +0.63	-	4.99 6.17	4 5 6	Mediam Compons	15	years years years		13.19 13.26 13.21	13.13 13.34 13.30	12.30 12.61 12.63
3 4	Over 15 years	115.82 132.73	+0.57		6.60 6.30	7 6 9	High Compons	15	Acata**** Acata*****		13.32 13.60	13.30 13.79 13.68	12.60 12.96 12.98
5	All stocks	110.59	+0.34	ا جز ا	5.84	10	irredeem				11.07	11.14	1143
				Mon., Jun Index Y No.	Ju	DR. De O	Fri. Juno 13	Thur, June 12	Wed. June 11	Tres. Juno 10	Mon. June 0	Fri, June 0	Year ago (approx
5	20-yr. Red. Deb &			52,43 11	1	.14		!	51,60				
0 7	Investment Trus Coml. and Indi	_		-		.36 .10	48,09 63,15	48,09 63.10	47,88 51,91	47.88 61.91	1	l '	48,26 69,53

ACTIVE STOCKS Denomina of Closing Change tion marks price (p) on day Stock NatWest Bank Barclays Bk. 'New' 383 98 77 European Ferries 25p Marks & Spencer 25p BP 25p Land Secs. New Nil/pd. Racal Electronics 25p Tesco Stores 5p 320 44pm 55 160 108 230 348 308 75 Assoc. Dairies ... Beecham GKN ,.... ICI £1 Midland Bank ... £1

OPTIONS

Last Last For Ladbroke, Lasmo, Lesney, Deal- Declara- Settle- FNFC, Oil Search, BSG, Charment Share Information Service

Stocks favoured for the call morton Clyde Petroleum, Chloride, Ferries and Endeavour.

ter Cons., Redman Heenan Jun. 9 Jun. 20 Sept. 11 Sept. 22 Royal Worcester, Ratners and Jun. 23 Jul. 4 Sept. 25 Oct. 6 Francis Sumner. Puts were Jul. 7 Jul. 18 Oct. 9 Oct. 20 arranged in ICI, BP, Shell For rate indications see end of Transport, Hawker Siddeley, House of Fraser, New Throg Warrants, Tricentrol included Town and City, Silver- Dunlop, FNFC, Candecca and mines, Albert Fisher, Berkeley Exploration, while Endeavour, New Throgmorton doubles were completed in Warrants, Illingworth Morris A, Woodside, Silvermines, Brocks Premier Oil, Ibstock Johnsen, Montague L. Meyer, European

RECENT ISSUES

EQUITIES

Issus Price	mount ald Up atest anung.		80	Stock	Price to	+ 01	Div. P.	Sered Serose	7. E
bt	Ar i-E	Nigh	Low						
83	/F.P./10/5	05	82	Amstrad Cons. Elect.	88	+1.	bd 0.3	3.0. 3.3	7.0
55	F.P. 20/0	82	74	Home Farm Prods 10p			P8'8	0,5, 3,1	11:2
_	F.P	7		tt Jenkin & Purser	7	*****	_	- -	I — I
183 100	F.P. 07/6	01	70	Ozkwood Oroup	80	+1	06,5	2.4,11.6	5:2
100	F.P. 07/6	110		Pearless	00	+2	b6.3	2.8 0.4	4.8
=	F.P. —	194	194	Union Carbide Corp.	104		Q\$3.0	7.0	<u>! </u>

FIXED INTEREST STOCKS

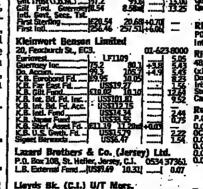
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UNIT TRUST SERVICE

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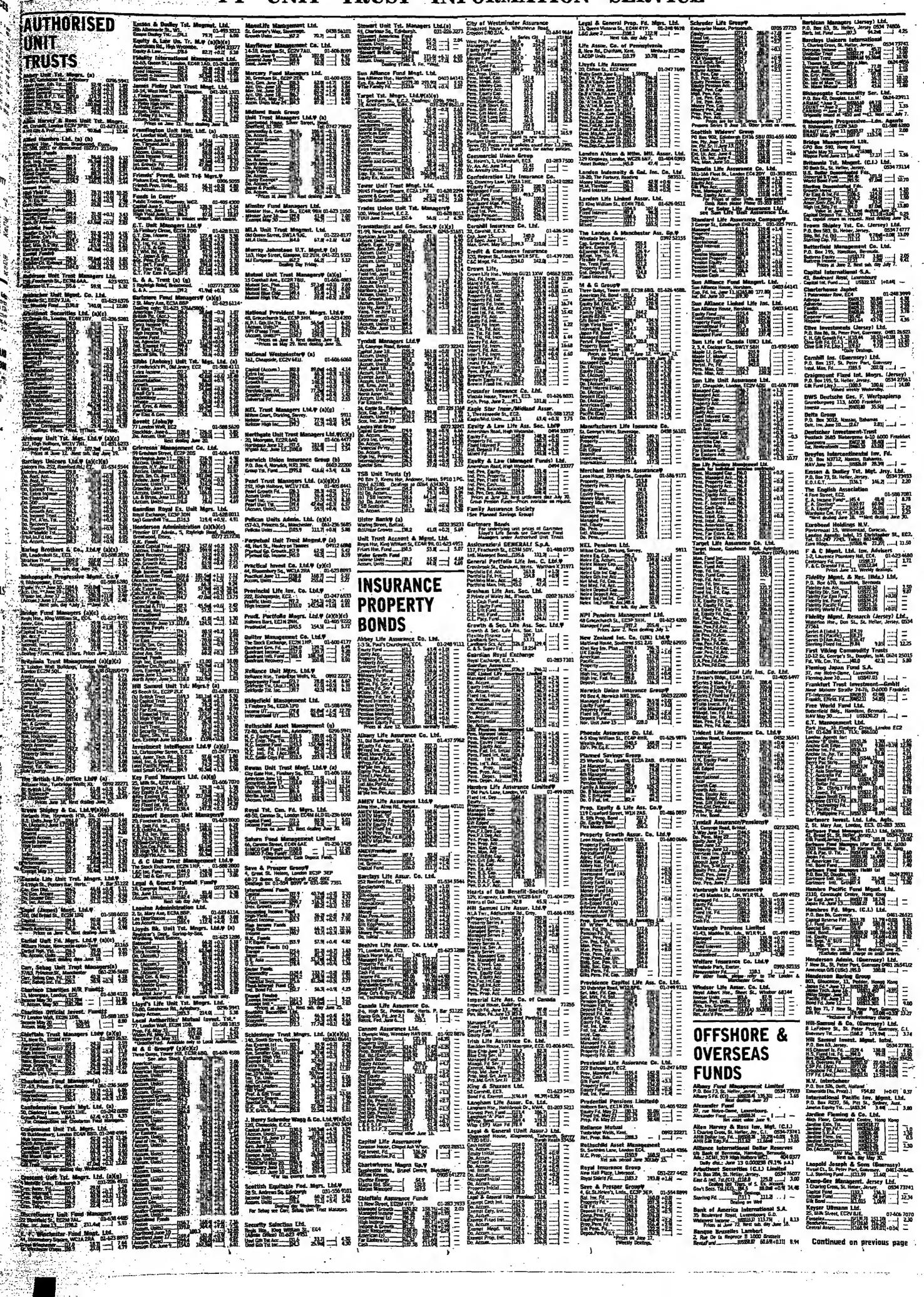
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FT UNIT TRUST INFORMATION SERVICE



CHRISTIE & CO 32 Baker Street London W1 Telephone 01-486 4231	FT S	SHARE	INFORMATION	SERVICE	1980 Stack Price - Stack Trial
Nine regional offices Specialists in the sale of privately owned businesses and companies	LOANS—Continued		Price - Bet CW Shek Price -		37 34 Lessons Gr. 10p 37 521 23 Lessons Gr. 10p 37 521 23 Lessons Gr. 10p 37 521 23 Lessons Gr. 10p 37 52 Less
Valuers – Licensed Dealers BRITISH FUNDS	Financial	907 327 Barchays 2.1. 15.65 350 263 Cater Ryder 2. 14.70 156 124 Com² Au. (SA) 13.80 975 7.25 Com² zick DM 1 13.80 2105 800 Chap thick Ryd. 14.45 40 25 (Corinthian 10c	00 5105 013% - 9 - 116 87 [Coalite Group] 116 +1 31	11	142 167 Northern Foods MI
## Low Stock Price + or but field. "Shorts" (Lives up to Five Years)	9112 82 Do. 113-pc Um. in. 30. 3881 + 12 13.35 33 55 Do. 71-pc Dot. 30. 30. 30. 30. 30. 30. 30. 30. 30. 30	14.00 E191 E143 Cred. France F1 14.00 E67 E532 Describe Bark 005 14.10 90 52 F. C. Firsting. 14.10 21 91 First Nat. 10p.	10 17	31 28 9840) 68 54 (James), 56 +1 1447 18119 1 31 28 9840) 68 54 (James), 56 +1 1447 18119 1 74 52 8489 (C.H.) 52 114 18119 1	137 110 Robertson Poets 117 -1 46.35 117 17 140 Robertson Poets 117 -1 46.35 117 17 140 Robertson Poets 150 150 -2 17.5 14.55 17 17 17 17 17 17 17
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7.15	Imperial	82	7.25	1.8	12.6	5.4	
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FINANCIAL TIMES

Wednesday June 18 1980



U.S. Cruise missile bases in UK by 1983

BY ELINOR GOODMAN

BRITAIN BECAME the first member of NATO yesterdsy to announce where it was atationing the new force of long-range nuclear missiles and to set a target date, 1983, for their

target date, 1983, for their deployment.

The U.S. Air Force base at Greenham Common, Berksbire, is to be used as the main UK operating base. Missiles will also be at the now disused eirfield of RAF Molesworth, Cambridgeshire. bridgeshire.

In the event of an alert the missiles would not be fired from these bases but dispersed round the country to secret pre-arranged sites.

A total of 160 ground-launched U.S.-owned Cruise mis-siles with a range of 1,500 miles will be stationed in Britain as part of the modernisation of NATO long-range nuclear forces agreed by NATO Ministers last December.

The Ministers agreed that 572 U.S. missiles be deployed in response to the Soviet nuclear build-up in East Europe, and in particular the deployment of mobile SS 20 ballistic missiles.

The total cost to the UK of the modernisetion programme will be £16m. Announcing the siting decision in the Commons yesterday, Mr. Francis Pym, the the decision without protest.

of Health Service Employees,

the biggest union in the bealth

service, are to be ballotted on their 14 per cent pay offer. At the same time, the union's

executive is to urge them to

reject any pay settlement with-in the Government-Imposed cash limits on the health

If the pay deal is rejected, the executive will consider

industrial action to secure a 30

That was decided at the

annual conference of the union, which represents 130,000

nurses, in Blackpool yesterday.

Two other big unions, the National and Local Government

Officers' Association and the

National Union of Public

Employees, which between them

represent another 130,000 nurses, have urged joint union

action over the offer, in re-

sponse to a recent 18.7 per cent inflation-releted award to

UK TODAY

MAINLY CLOUDY with showers

and sunny intervals. Generally

London, the Midlands, E. Anglia, N. Wales, N. England

Mainly cloudy with scattered showers and sunny intervals. Wind light. Max. 18C (64F). S.W. England.

S. Wales Outbreaks of rain, becoming brighter in West leter. N.E. England, Scotland,

Borders, Highlands

of rain or showers. Cool. Max.

East Scotland

Rather cloudy with rain, heavy at times. Coastal fog.

West Scotland, N. Ireland

WORLDWIDE

14C (58F).

Max. 16C (61F).

rather cool.

Cloudy with heavy outhreaks



Defence Secretary, said that the modernisation was vital to Britain's security in view of the markedly increasing threet"

In the circumstances, he said, it was essential for NATO to modernise its own long-range weapons, which were "ageing and becoming increasingly vulnerable."

Announcement of the siting of the missile bases got a sur-prisingly muted reception from MPs yesterdey.

The two representing the constituencies concerned accepted

more than balf of

Britain's nurses as their

of Nursing, the profession's

largest union, have advised

their 137,000 members to vote

against industrial action in the

ballot they are bolding on the

the action to disrupt bospitals

while avolding direct harm to

The pay settlement bas been

sentations to Mr. Patrick

emphasised, bowever, that non-

ballot carrying a recommenda- tiation.

professional responsibilities.

outstanding since April.

Leaders of the Royal College

Pay ballot for nurses in

biggest health union

members.

patients.

Minister.

NURSES IN the Confederation doctors and dentists.

For the residents of Greenbam Common, it seemed, the missiles at least bad the merit of being far quieter than the eerial tankers which the Americans proposed to base

tbere two years ago. The only strong objections came from Labour Left-wingers, who have long opposed the whole idea of a new generation of nuclear weapons.

They attacked the acceptance of the deal by Mr. William tary. He did not challenge the need for the new missiles, but urged the Government to use the "breathing space" between now and 1983 to seek negotiation of further arms controls with the Russians.

Mr. Pym promised thet if there was a chance of such telks achieving anything he would pursue them with "unremitting Ministry of Defence

launched a major propaganda campaign yesterday to persuade residents that they bad nothing to fear from the bese.
In this it emphesised that no live missilea or warheads would be carried on any of the exercises which would take place when the bases became

per cent pay rise, with indus-

gency resolution, will have to consider the call for action if — as seems likely — the ballot

rejects the 14 per cent offer.

posed disruption of hospital ad-

ministration or industrial action

with emergency cover.
Mr. David Williams, assistant

Mr. Williams sald: "If the

the decision because he believed

pay offer.

Any decision on action will be
However, the other unions difficult after the sharp division
have indicated that they are at the conference over the issue.

prepared to formulate plans for Those in favour of action pro-

The nurses' union leaders nurses were being put into the

The decisions taken by pay up to the average for male,

RCN members, too, see a branches accept our recom-dilemma over how industrial mendation, the fight is on." He

action can be reconciled with urged careful consideration of

The conference unanimously the Government would not voted to go aheed with the change its mind through nego-

COHSE conference delegates non-manual workers.

trial action if necessary.

France angers EEC by new curbs on lamb

ing vigorous protests at a meeting of EEC farm ministers here against new limits placed by the French euthorities on imports.

West Germany and Netherlands yesterdey protested strongly against the French measures, announced earlier this week, and Mr. Finn Gundelach, the Brussels Agriculture Commissioner, said be was "disappointed." Ireland is understood to bave raised its concern privately with M. Pierre Mebaignerie, the French Farm

France has unilaterally restricted the issue of import unilaterally licences for lamb to 70 per cent of what it regards as the normal tonnages exported by its EEC partners. Defending this step yesterday, M. Mebaignerie claimed that lamb originating in Eastern Europe was being sold through other EEC countries to France, and that this hed

FRANCE last night sppeared once again to be at odds with its partners in the European Community over lamb, followuntil July 15, when the new sheep-meet rules agreed by EEC foreign ministers in Brussels in late May are due to come into

Before the Brussels agreement France bad been engaged in a long dispute with Britain and the EEC over its unileteral restrictions on British lamb

The absence so far of agreement between the Community and New Zealand on lamb ship-ments to the Nine also threetens to delay implementation of the new support measures for EEC sheep farmers.

Mr.n Gudelach is expected to travel to New Zealand next the first British company to join month to eeek agreement on what has become e stampede of voluntery restrictions of lemb exports to the EEC in exchange for a 20 per cent cut in the EEC tariff on New Zealand lamb.

problems to the exclusion of

diagnoses" of probleme but there was "no ection, no follow-

remained appropriate under a

new structure for the transport

The new approach separated

bus and tube-train operations.

The board made good "initial

strategic issues.

London Transport chiefs criticised

THE PERFORMANCE and style the executive, but without refer-of top manegement et London ence to objectives. The board Transport, the world's largest was preoccupied with day-to-day loctors and dentists. tion to reject the offer. It also The three unions together agreed unanimously to remlt an passenger transport operator, was severely criticised yester-day in a report commissioned emergency motion seeking a 30 by its own chairman, Mr. Ralpb Thus the executive of the union, which opposed the emer-PA International, manage-

ment consultants and euthor of the report, said the executive board of London Transport suffered from an "element of self-satisfaction" and had a "cosy consensus approach" to management. Its morale was low es a result of being "shell-shocked" by the inevitability of criticism over its poor record.

LT, operating under the control of the Greater London Council, has more than 60,000 general secretary, said he felt staff, spends more than £520m bave so far failed to persuade same category as other female the Government to improve the workers doing humdrum jobs Jenkin, Secretary for Social responsibility that nurses have.

Services, end to the Prime He said an Increase of Minister. next year unless bus and tube train services are cut or fares

> of infletion. The sweeping indictment of the nine-man executive said it bad a limited sense of purpose and was unclear about whether it was a social service or a commercial undertaking.

are raised faster than the rate

The board failed to discuss "strategic issues." PA said decisions were debated fully by

At first LT refused to publish it. It was published after Sir Horace Cutler, Conservative leader of the GLC, wrote to Mr. a year, and last year reported Bennett on Friday saying a £31.4m loss, its worst trading criticism of LT hed reached results for more than a decade. Such a point that he now had it has told the GLC it expects "no coolce" but to publish. Pilkington placing equity "no choice" but to publish.

would have preferred not to discuss the proposals in the report before the GLC committees had considered them. He accepted it was a "pentrating document."

PA took evidence from the executive in December and since then, Mr. Bennett said the bus and tube services had It said: "The executive board improved, largely as a result is weak in skills that are re- of the structural changes be bed quired to run a large business inltiated over the past two and indeed, to manage itself as years. He said the bus service was better than it bad been for the past three years. Details, Page 8

Editorial comment, Page 18

Brokers to offer strike insurance Continued from Page 1

BY JOHN ELLIOTT AND JOHN MOORE

to be offered by five Lloyd's amounts of money in an insur-of London insurance brokers in ance fund has been rejected by place of the indemnity fund a big majority of large comwhich will be shelved later panies es well as by many today by the Confederation of medium-sized concerns.

Mainly cloudy with scattered showers and some sunshine. heve been belping the CBI to some have also been worried develop its proposals for the about the labour relations impli-past year, end are expected to cations. Outlook: Changeable and launch e fresb round of test CBI backing or involvement.

the fund will be taken this afternoon et its monthly council meeting. In splte of strong support from some CBI leaders, the of power in industry.

A FORM of strike insurance is idee of investing considerable

These companies do not con The brokers, led by the sider such expenditure to be Sedgwick Forbes Blend Payne, commercially worthwhile, and But some companies bave said

merketing without any formal they would be prepared to join CBI backing or involvement. a CBI scheme. Some of these,

Deeper recession engineering dropped by 31,000,

on averaged about 11 per 100 employees in the month to mid-March, compared with between 12 and 2; per cent in the previous three to four years. A comparison between sectors highlights the problems of the

textile industry, where output in the first four months of this year was nearly 9 per cent lower than the average level for 1979.

Employment in textile companies at the end of March was 30,000, or 61 per cent, less than

or 3½ per cent, in the six month to March, while in construction it declined by 57,000, or 4.5 per cent.

profits have come under severe pressure, especially in manufacso fer been much less affected. Real incomes beve risen

sharply until recently. consumer spending bas dropped back only slightly from earlier buoyant levels. This largely reflects the impact of North Employment in mechanical Sea oil and the strong pound.

The CBI's decision to shelve bowever, have done so only because they wanted to nelp the CBI improve employers' soli-

GOVERNMENT REPORT FORECASTS HARD TIMES Property recession'will be prolonged'

BY MICHAEL CASSELL

THE RECESSION in the forecast yesterday.

The report, by the Property Advisory Group, set up in 1978 to advise the Environment Department on property matters, says there is unlikely to be any increase overall in demand for commercial and industrial space when the economic situation generally improves.

The result, it says, would be a fell in demand for new property, with iofiationary increasee in building costs in excess of the growth of rental incomes discouraging its supply.

As a result the amount of

property and development land-owners and developers industry will be "deep, wide-spread, and prolonged," a Gov-spread, and prolonged," a Gov-spread and prolonged, and prolonged, and prolonged, and prolonged, and prolonged, and prolonged, and prolonged areas of the UK would prevent the property of the UK would prevent the property and developers are properly and prolonged and prolonged are properly and developers and developers are properly and developers and developers are properly and developers are properly and developers are properly and developers are provided and developers and developers are provided ernment-commissioned report attractive for development, and there would be less opportunity for large-scale development. Smaller-scale developments

and refurbishments should, however, continue to be carried ont during the recession because they involved shorter lead times, confront fewer planning delays and were less likely to experience excess costs.

The group, whose members are drawn from the property industry, goes on to say that, when the recession ends no change in the level of new development is expected.

"We believe that, with a few limited exceptions, demand on a national basis for additional accommodation needs.

that rental growth in inflation-adjusted terms will be weak." The group believes that the general level of new develop-ment could be "much reduced" relative to past performances.

The report points out that "The need to conserve energy, rent reviews fall one on many coupled with fast rising travel large proportion of these premises were built during the 1960s to "less exacting stan-.dards" than those constructed more recently.

"The occasion of rent review, together with other emerging factors such as technological change, may well cause office occupiers to reappraise their

equity for distribution between accommodation may remain "A certain amount of attendand-owners and developers comparativel; slack, particution has already been centred would be reduced, far fewer larly in the case of offices, and on changes arising from microprocessor technology and other recent innovations in office equipment which are being introduced will also have a bearing on both employment and space requirements.

> office premises during the early costs and changing employment 1980s, the report says that a patterns, will have an impact on tenants' attitudes. There may well be relatively little demand for fresh office development and the industry's efforts will be concentrated on the refurbish ment of existing stock with a view to maintaining its value as

> > Structure and Activity of the Development Industry; SO. 52.50

THE LEX COLUMN

The key rates for new bond issues

With UK Government bon rates down to the region of 134 per cent, the City's corporate finance specialists are in a highly expectant mood. Prefty soon, somebody is going to be tempted to jump through the corporate bond new issue window whch

has stayed sbut for many years in respect of domestic lean stocks but which bas on occasion allowed through a bandful of Eurosterling issues. There is speculation that some large companies might be willing to make a start at funding at 13 shipments, and over its defiance of a ruling by the European Court that the restrictions were could well be that the first domestic sterling bond issue will come from an overseas sovereign

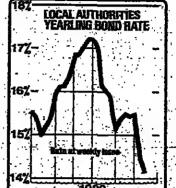
> Meanwhile the fall in U.S. interest rates has alreedy brought the cost of long term dollars down to a level which is ecceptable to the British finance director. BOC yesterday became what has become e stampede of issuers of eurodollar bonds. It

is raising \$50m for ten years at a coupon of 101 per cent and at an effective cost to itself of about 11½ per cent. BOC's need to raise long term dollars is particularly well-defined: it has \$500m of floating rate dollar debt incurred as a result of its purchase of Airco in the U.S. It has now decided that long rates are low enough to make a first stab at refinancing some of

ICI made en earlier move in issuing \$100m of fixed rafe securities a month ago, but this was via a private placement and only for three years. This ence to objectives. The board relatively short term money, on a coupon of 11 per cent, prob-ably cost ICI the same effective interest rate as BOC is now paying for ten years. The attitude of ICI's treasury was thet this was an acceptable rate to pay for three years in anticipation of better times to come. a cost of £24,000, to find out ICI may now be a little rueful at the speed with which those if the traditional role of the executive-set up in 1933better times have arrived, but it is probably well out of this week's long-jam of new issues. Over \$600m of new issues were network established by the board in the past two years. announced yesterday alone and there must now be over \$1bn of eurodollar bonds hanging over a market which is showing some signs of indigestion.

The changed mood of the Court trusts quity market is vividly effected in yesterday's placing After another poor month

Index rose 1.4 to 469.0



around a wide range of institu-tions at 215p, which adjusting for stamp duty and dividends represented a discount of just over 4 per cent on the previous market price.

Only a couple of weeks ago. when the placing was being tracts.
planned, Pilkington's shares
stood et around 188p, and there seemed to be no prospect of the institutions biting at such a narrow discount. Yesterday, by contrast they were falling over themselves and their applications had to be scaled down in many cases.

As it turned out, the placing represented a heaven sent opportunity for those instituhad missed the boat in the big stock market rally, and which were longing to get rid of some cash before their trustees started asking embarrassing questions. Pilkington shares have under performed the market averages in the last year by about a third, one reason being that it has issued over 40m new shares in the form of a rights issue and acquisition currency. Despite this relative price weakness, if is rightly regarded as one of the higher quality representatives of UK

manufacturing industry in the Stock Exchange.

With the placing out of the way, the price bounded 9p shead yesterday to 232p, where the yield is a well covered 6.6 per cent.

After another poor months for of the 11.9m Pilkington shares unit trust sales in May, the unit price rises is considerable. It which were issued within the trust movement has now shrunk, will be several years before the last month to BSN-Gervais in three months out of five so project is completed, but the Danone as part payment for far in 1980; the total shortfall Pilkington's big move into glass of sales against repurchases of transfer some of the Corpora-manufacturing in continental units in the January-May period tion's profits to the production Europe. The shares were placed is £5.5m. This is not large com- companies.

around £4bn but there has been a consistently edverse trend since the temporary sales boom of early 1973.

of early 1978.

The picture is not uniform, of course; within the overall totals some of the more successful management groups have continued to expand. But usually they have only been able to do as through convenient trusts. so through specialist trusts, in overseas markets for instance or in small company funds.

The immediate problem for the immediate problem for the unit trust groups is that investors can still get 15 per cent gross on deposit, and are not easily tempted out of the building societies. A more fundamental disadvantage is the maturity of the movement, with buyers of units in the trusts heyday reaching old age or cashing in 10- or 15-year savings plans. The big investment cash flows are now concentrated in pension funds, and e number of unit trust groups are resigned to the stagnation of their main business, and are chasing pen-eion fund management con-

Gas pipeline

The proposal that private sector companies take a majority stake in a North Sea gas pipe network costing up to £1 ion is likely to change the way oil companies regard gas. up to now the Cinderella of UK offshore exploration. Currently the companies are faced with a monopoly gas buyer in the British Gas Corporation, which has been able to use long-term contracts to keep down prices; this factor has left many prospective gas fields, especially in the southern basin, mexploited. The proposed pipeline will give the companies a say in the disposal of the gas as well as in its pricing, since it seems likely that the Government will formally, break British Gas's monopoly right of supply.

Since British Gas is likely to retain its distrib on land, much of the supply through the pipeline is likely to go to coastal plant, to be converted into chemical feed-stock. Nevertheless competition is likely to drive up prices for gas supply all round. With the BGC paying about 4p a therm for sonthern basin supplies, against 26p or so for the equivalent energy content of oil at \$35 a barrel, the scope for project is completed, but the long-term impact will be to

In 1969 two men walked the surface of the moon alone. It took thousands more to get them there.



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